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Zhihu Inc.

知乎

(A company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability)

(NYSE: ZH; HKEX: 2390)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is issued pursuant to Rule 13.10B of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Zhihu Inc. (the "**Company**") has filed with the Securities and Exchange Commission of the United States its annual report on Form 20-F for the fiscal year ended December 31, 2025.

For details of the filing, please refer to the attached Form 20-F.

By order of the Board
Zhihu Inc.
Yuan Zhou
Chairman

Hong Kong, April 17, 2026

As of the date of this announcement, the board of directors of the Company comprises Mr. Yuan Zhou as an executive Director, Mr. Dahai Li, Mr. Zhaohui Li and Mr. Bing Yu as non-executive Directors and Ms. Hope Ni, Mr. Derek Chen and Dr. Li-Lan Cheng as independent non-executive Directors.

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 20-F

(Mark One)

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

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____

OR

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

Date of event requiring this shell company report _____

Commission File Number: 001-40253

Zhihu Inc.

(Exact Name of Registrant as Specified in Its Charter)
N/A

(Translation of Registrant's Name into English)
Cayman Islands

(Jurisdiction of Incorporation or Organization)
18 Xueqing Road
Haidian District, Beijing 100083
People's Republic of China

(Address of Principal Executive Offices)
Han Wang, Chief Financial Officer
Telephone: +86 (10) 8271-6603
Email: h@zhihu.com
18 Xueqing Road
Haidian District, Beijing 100083
People's Republic of China

(Name, Telephone, Email and/or Facsimile Number and Address of Company Contact Person)

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

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
American depositary shares (each representing three Class A ordinary shares, par value US$0.000125 per share)	**ZH**	**New York Stock Exchange**
Class A ordinary shares, par value US$0.000125 per share	**2390**	**The Stock Exchange of Hong Kong Limited**

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

None

(Title of Class)

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

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 249,007,733 Class A ordinary shares (excluding 5,408,373 Class A ordinary shares issued to the depositary bank for bulk issuance of ADSs reserved for future issuances upon the exercise or vesting of awards granted under our share incentive plan), par value US$0.000125 per share, and 15,446,778 Class B ordinary shares, par value US$0.000125 per share, as of December 31, 2025.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

☐ Yes ☒ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

☐ Yes ☒ No

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

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

☒ Yes ☐ No

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

Large Accelerated Filer	☐	Accelerated Filer	☒
Non-Accelerated Filer	☐	Emerging Growth Company	☐

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

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

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

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

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

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

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

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

☐ Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☒ No

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

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

☐ Yes ☐ No

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INTRODUCTION

In this annual report, unless otherwise indicated or unless the context otherwise requires:

- "ADRs" refers to the American depositary receipts that evidence the ADSs;
- "ADSs" refers to the American depositary shares, each representing three Class A ordinary shares;
- "CCASS" refers to the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited;
- "China" or "PRC" refers to the People's Republic of China;
- "content creators" refers to users who have generated at least one piece of content;
- "Hong Kong" refers to the Hong Kong Special Administrative Region of the People's Republic of China;
- "Hong Kong dollars" or "HK$" refers to Hong Kong dollars, the lawful currency of Hong Kong;
- "Hong Kong Listing Rules" refers to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented, or otherwise modified from time to time;
- "Hong Kong Stock Exchange" refers to The Stock Exchange of Hong Kong Limited;
- "mobile MAUs" refers to the number of mobile devices that launch our mobile apps at least once in a given month;
- "monthly active users" or "MAUs" refers to the sum of our mobile MAUs and the number of logged-in users who visit our PC or mobile website at least once in a given month, after eliminating duplicates. "average MAUs" for a period is calculated by dividing the sum of MAUs for each month during a specified period by the number of months in the period;
- "monthly subscribing members" refers to the number of members who subscribed for our membership packages in a specified month; and "average monthly subscribing members" for a period is calculated by dividing the sum of monthly subscribing members for each month during a specified period by the number of months in the period;
- "ordinary shares" or "shares" refers to our Class A ordinary shares and Class B ordinary shares, par value US$0.000125 per share;
- "PCAOB" refers to Public Company Accounting Oversight Board, a nonprofit corporation established by the United States Congress to oversee the audits of public companies, among others;
- "piece of content" refers to any piece of questions, answers, articles, videos, groups, or live streaming in our community;
- "Renminbi" or "RMB" refers to the legal currency of China;
- "SEC" refers to the United States Securities and Exchange Commission;
- "SFC" refers to Securities and Futures Commission of Hong Kong;
- "UGC" refers to user-generated content;
- "U.S. dollars" or "US$" refers to the legal currency of the United States;

- "VIEs" refers to variable interest entities, which are companies established in China that have entered into a series of contractual arrangements with their respective shareholders and our PRC subsidiaries. Under these contractual arrangements, Zhihu Inc. has a "controlling financing interest" in the VIEs as defined in FASB ASC 810 so that it is considered the primary beneficiary of the VIEs for accounting purposes only and thus consolidates each of these entities under U.S. GAAP. The VIEs that Zhihu Inc. consolidates under U.S. GAAP include Beijing Zhizhe Tianxia Technology Co., Ltd., or Zhizhe Tianxia, Shanghai Pinzhi Education Technology Co., Ltd., or Shanghai Pinzhi, and Wuhan Xinyue Network Technology Co., Ltd., or Wuhan Xinyue;

- "WFOEs" refers to wholly foreign-owned enterprises, and "our WFOEs" refers to Zhizhe Sihai (Beijing) Technology Co., Ltd., or Zhizhe Sihai, Shanghai Zhishi Technology Co., Ltd., or Shanghai Zhishi, and Wuhan Bofeng Technology Co., Ltd., or Wuhan Bofeng; and

- "Zhihu," "we," or "our company" refers to Zhihu Inc., a Cayman Islands holding company, and its subsidiaries (where the context requires, in respect of the period prior to our company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our company at the relevant time) and, in the context of describing our operations and consolidated financial information, the VIEs and their respective subsidiaries, unless otherwise indicated herein. For the avoidance of confusion, "our holding company" or "Zhihu Inc." only refers to Zhihu Inc., and unless the context requires otherwise, include its predecessor entities; "our subsidiaries" refers to the entities in which Zhihu Inc. holds direct or indirect equity ownership, and thus consolidates their financial results; for "variable interest entities" or "VIEs," see stand-alone definition sets forth above. Zhihu Inc. does not conduct operations of its own and does not have any equity ownership in the VIEs.

Any discrepancies in any table between the amounts identified as total amounts and the sum of the amounts listed therein are due to rounding.

Our reporting currency is Renminbi. This annual report contains translations from Renminbi to U.S. dollars solely for the convenience of the reader. Unless otherwise stated, all translations from Renminbi to U.S. dollars were made at a rate of RMB6.9931 to US$1.00, which was the exchange rate in effect as of December 31, 2025 as set forth in the H.10 statistical release of The Board of Governors of the Federal Reserve System. We make no representation that any Renminbi amounts referred to in this annual report could have been, or could be, converted into U.S. dollars at any particular rate, or at all.

FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements that reflect our current expectations and views of future events. These forward-looking statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. Known and unknown risks, uncertainties and other factors, including those included in "Item 3. Key Information—D. Risk Factors," may cause our actual results, performance, or achievements to be materially different from those expressed or implied by the forward-looking statements.

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

- our goals and strategies,

- our future business development, financial condition, and results of operations,

- the expected outlook of the online content market in China,

- our expectations regarding demand for and market acceptance of our products and services,

- our expectations regarding our relationships with our users, clients, business partners, and other stakeholders,

- competition in our industry,
- government policies and regulations relating to our industry, and
- general economic and business conditions globally and in China.

These forward-looking statements involve various risks and uncertainties. Although we believe that our expectations expressed in these forward-looking statements are reasonable, our expectations may later be found to be incorrect. Our actual results could be materially different from our expectations. Important risks and factors that could cause our actual results to be materially different from our expectations are generally set forth in "Item 3. Key Information—D. Risk Factors," "Item 4. Information on the Company—B. Business Overview," "Item 5. Operating and Financial Review and Prospects," and other sections in this annual report. You should read thoroughly this annual report and the documents that we refer to in this annual report with the understanding that our actual future results may be materially different from and worse than what we expect. We qualify all of our forward-looking statements by these cautionary statements.

We operate in an evolving environment. New risk factors and uncertainties emerge from time to time and it is not possible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. The forward-looking statements made in this annual report relate only to events or information as of the date on which the statements are made in this annual report. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

PART I

Item 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

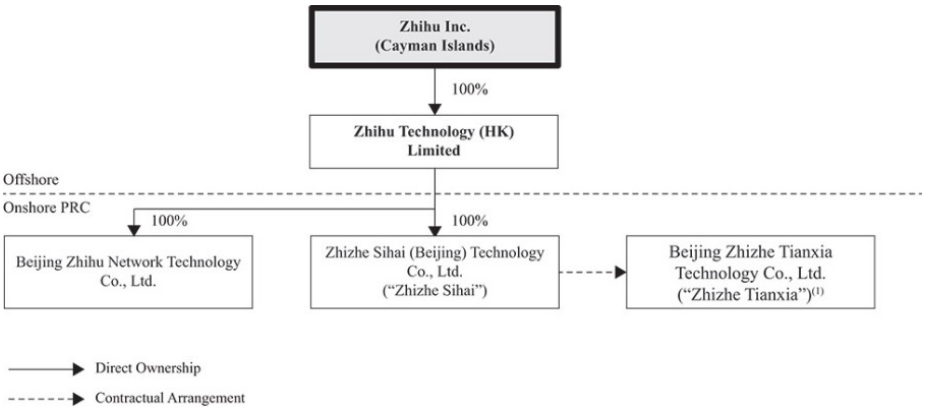
Item 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

Item 3. KEY INFORMATION

Our Holding Company Structure and Contractual Arrangements with the VIEs and Their Shareholders

The following diagram illustrates our corporate structure, including our principal subsidiaries and the VIEs, as of the date of this annual report.



Notes:

(1) Yuan Zhou and Dahai Li, our director, each holds 98.941% and 0.059% of the equity interests in Zhizhe Tianxia, respectively, and Beijing Radio and Television Station, a third-party minority shareholder, holds 1% of the equity interests in Zhizhe Tianxia.

(2) Yuan Zhou and Rongle Zhang, our employee, each holds 99.0% and 1.0% of the equity interests in Wuhan Xinyue, one of the VIEs. Wuhan Xinyue and its shareholders entered into a series of contractual arrangements with our PRC subsidiary Wuhan Bofeng. Wuhan Xinyue owns, through its subsidiaries, 55% equity interests in Shanghai Pinzhi. Shanghai Pinzhi and its shareholders entered into a series of contractual arrangements with our PRC subsidiary Shanghai Zhishi. Wuhan Xinyue also wholly owns Nanjing Zhizhu Technology Co., Ltd., which wholly owns Wuhan Zhibo Wenshuo Technology Co., Ltd.

Zhihu Inc. is a Cayman Islands holding company with no equity ownership in its VIEs and their subsidiaries and not a Chinese operating company. We conduct our operations in China through (i) our PRC subsidiaries and (ii) the VIEs, with which we have maintained contractual arrangements, and their subsidiaries. PRC laws and regulations restrict and impose conditions on foreign investment in value-added telecommunication services and certain other businesses. Accordingly, we operate these businesses in China through the VIEs and their subsidiaries, and rely on contractual arrangements among our PRC subsidiaries, the VIEs, and their nominee shareholders to direct the business operations of the VIEs. Such structure enables investors to share economic interests in China-based companies in sectors where foreign direct investment is prohibited or restricted under PRC laws and regulations. Revenues contributed by the VIEs accounted for 58.3%, 63.8% and 68.7% of our total revenues in 2023, 2024 and 2025, respectively. As used in this annual report, "we," "our company," or "Zhihu" refers to Zhihu Inc., its subsidiaries, and, in the context of describing our operations and consolidated financial information, the VIEs in China, including Zhizhe Tianxia, Shanghai Pinzhi, and Wuhan Xinyue. Investors in the ADSs are not purchasing any equity interest in the VIEs in China but instead are purchasing equity interest in a holding company incorporated in the Cayman Islands, and may never directly hold equity interests in the VIEs in China.

A series of contractual agreements, including exclusive business cooperation agreement or exclusive technology development, consultancy and services agreements, shareholders' rights entrustment agreement or powers of attorney, share pledge agreements, and exclusive option agreements, have been entered into by and among our PRC subsidiaries, the VIEs, and the VIEs' nominee shareholders. There is no material difference between the effect of each set of contractual arrangements. As advised by Global Law Office, our PRC legal counsel, (i) as of the date of this annual report, the ownership structures of our WFOEs and the VIEs in China do not violate any applicable and explicit PRC laws and regulations currently in effect; (ii) subject to the disclosure in this annual report, each agreement of the contractual arrangements between our WFOEs, the VIEs, and the VIEs' nominee shareholders governed by PRC law is valid, binding, and enforceable in accordance with their terms, subject to enforceability to applicable laws affecting creditors' rights generally, the discretion of the government authorities in exercising their authority in connection with the interpretation and implementation thereof and the application of PRC laws and policies thereto, and general equity principles; and (iii) each of said agreement does not violate any applicable and explicit PRC laws currently in effect. As a result of the contractual arrangements, we are considered the primary beneficiary of the VIEs for accounting purposes, and Zhihu Inc. has consolidated the results of operations, financial position, and cash flows of the VIEs in its consolidated financial statements under U.S. GAAP. The contractual arrangements with the VIEs provide us with a "controlling financial interest" in the VIEs as defined in FASB ASC 810 by entitling us to (i) the power to direct activities of the VIEs that most significantly affect their economic performance, and (ii) the right to receive the economic benefits from the VIEs that could be significant to them. Neither Zhihu Inc. nor its investors has an equity ownership (including foreign direct investment) in, or control through such equity ownership of, the VIEs, and the contractual arrangements are not equivalent to an equity ownership in the business of the VIEs. For more details of these contractual arrangements, see "Item 4. Information on the Company—C. Organizational Structure—Contractual Arrangements with the VIEs and Their Shareholders."

However, the contractual arrangements may not be as effective as direct ownership in providing us with control over the VIEs and their subsidiaries and we may incur substantial costs to enforce the terms of the arrangements. As such, the VIE structure involves unique risks to investors of our Cayman Islands holding company. In addition, the legality and enforceability of the contractual agreements by and among our PRC subsidiaries, the VIEs, and the VIEs' nominee shareholders, as a whole, have not been tested in a court of law in China. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Corporate Structure—Our contractual arrangements may not be as effective in providing operational control as direct ownership and shareholders of the VIEs may fail to perform their obligations under our contractual arrangements." and "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Corporate Structure—The equity holders, directors, and executive officers of the VIEs, as well as our employees who execute other strategic initiatives may have potential conflicts of interest with our company."

There are also uncertainties regarding the interpretation and application of current and future PRC laws, regulations, and rules regarding the status of the rights of our Cayman Islands holding company with respect to its contractual arrangements with the VIEs and their nominee shareholders. It is uncertain whether any new PRC laws or regulations relating to variable interest entity structures will be adopted or, if adopted, what they would provide. If we or any of the VIEs is found to be in violation of any existing or future PRC laws or regulations, or fail to obtain or maintain any of the required licenses, permits, registrations, or approvals, the PRC regulatory authorities would have broad discretion to take action in dealing with such violations or failures. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Corporate Structure—If the PRC government finds that the agreements that establish the structure for operating our business do not comply with PRC laws and regulations, or if these regulations or their interpretations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations" and "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Corporate Structure—Our current corporate structure and business operations may be affected by the Foreign Investment Law."

Our corporate structure is subject to risks associated with our contractual arrangements with the VIEs. If the PRC government deems that our contractual arrangements with the VIEs do not comply with PRC regulatory restrictions on foreign investment in the applicable industries, or if these regulations or the interpretation of existing regulations change or are interpreted differently in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations. Our Cayman Islands holding company, our PRC subsidiaries, and the VIEs and their subsidiaries, and investors of our company face uncertainty with respect to potential future actions by the PRC government that could affect the enforceability of the contractual arrangements with the VIEs and, consequently, significantly affect the financial performance of the VIEs and our company as a whole. The PRC regulatory authorities could disallow the VIE structure, which would likely result in a material change in our operations and cause the value of our securities, including those that we may register for sale, to significantly decline or become worthless. For a detailed description of the risks associated with our corporate structure, see "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Corporate Structure."

We face various legal and operational risks and uncertainties relating to doing business in China. Our business operations are primarily conducted in China, and we are subject to complex and evolving PRC laws and regulations. For example, the PRC government issued statements and regulatory actions relating to areas such as the use of contractual arrangements in certain industries, regulatory approvals on overseas offerings and listings by, and foreign investment in, China-based issuers, anti-monopoly regulatory actions, and oversight on cybersecurity and data privacy. It remains uncertain how PRC government authorities will regulate overseas listings and offerings in general and whether we can fully comply with the regulatory requirements, including completing filings with the China Securities Regulatory Commission, or the CSRC, pursuant to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, or the Overseas Listing Trial Measures, and five supporting guidelines released by the CSRC and effective on March 31, 2023, and whether we are required to complete other filings or obtain any specific regulatory approvals from the CSRC, the Cyberspace Administration of China, or the CAC, or any other PRC government authorities for our overseas offerings and listings, as applicable. In addition, if future regulatory developments mandate clearance of cybersecurity review or other specific actions to be completed by China-based companies listed on foreign stock exchanges, such as us, we face uncertainties as to whether such clearance can be timely obtained, or at all. These risks may impact our ability to conduct certain businesses, accept foreign investments, or list and conduct offerings on a stock exchange in the United States or another foreign country. These risks could result in a material adverse change in our operations and the value of our Class A ordinary shares and the ADSs, significantly limit or completely hinder our ability to continue to offer securities to investors, or cause the value of such securities to significantly decline or become worthless. For a detailed description of risks relating to doing business in China, see "Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China."

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

Risks and uncertainties arising from the legal system in China, including risks and uncertainties regarding the enforcement of laws and quickly evolving rules and regulations in China, could result in a material adverse change in our operations and the value of our Class A ordinary shares and the ADSs. For more details, see "Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—The PRC laws, rules and regulations and their interpretation and enforcement may evolve quickly, which could have a material adverse effect on us."

The Holding Foreign Companies Accountable Act

Pursuant to the Holding Foreign Companies Accountable Act, or the HFCAA, as amended by the Consolidated Appropriations Act, 2023, if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspections by the PCAOB for two consecutive years, the SEC will prohibit our shares or the ADSs from being traded on a national securities exchange or in the over-the-counter trading market in the United States. On December 16, 2021, the PCAOB issued a report to notify the SEC of its determination that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong, including our auditor. In May 2022, the SEC conclusively listed us as a Commission-Identified Issuer under the HFCAA following the filing of our annual report on Form 20-F for the fiscal year ended December 31, 2021. On December 15, 2022, the PCAOB issued a report that vacated its December 16, 2021 determination and removed mainland China and Hong Kong from the list of jurisdictions where it is unable to inspect or investigate completely registered public accounting firms. For this reason, we were not identified as a Commission-Identified Issuer under the HFCAA after we filed our annual reports on Form 20-F for the fiscal years ended December 31, 2022, 2023 and 2024 and do not expect to be so identified after we file this annual report on Form 20-F.

Each year, the PCAOB will determine whether it can inspect and investigate completely registered public accounting firms in mainland China and Hong Kong, among other jurisdictions. If the PCAOB determines in the future that it no longer has full access to inspect and investigate completely accounting firms in mainland China and Hong Kong and we continue to use an accounting firm headquartered in one of these jurisdictions to issue an audit report on our financial statements filed with the SEC, we would be identified as a Commission-Identified Issuer following the filing of the annual report on Form 20-F for the relevant fiscal year. There can be no assurance that we would not be identified as a Commission-Identified Issuer for any future fiscal year, and if we were so identified for two consecutive years, we would become subject to the prohibition on trading in the United States under the HFCAA. For more details, see "Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—The PCAOB had historically been unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections of our auditor in the past had deprived our investors with the benefits of such inspections" and "Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—Our ADSs may be prohibited from trading in the United States under the HFCAA in the future if the PCAOB is unable to inspect or investigate completely registered public accounting firms located in China. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment."

Permissions Required from the PRC Authorities for Our Operations

We conduct our business primarily through our PRC subsidiaries and the VIEs in China. Our operations in China are governed by PRC laws and regulations. As of the date of this annual report, as advised by Global Law Office, our PRC legal counsel, except as disclosed in this annual report and subject to the uncertainties with respect to the interpretation and application of PRC laws, regulations, and policies, our PRC subsidiaries, the VIEs, and the VIEs' subsidiaries have obtained the requisite licenses, permits, filings, and approvals from the PRC government authorities that are material for their business operations in China, including, among others, Value-Added Telecommunication Business Operation Licenses, or ICP Licenses, Internet News Information Licenses, Internet Cultural Business Licenses, Radio and Television Program Production and Operation Licenses, Publication Operation Licenses, Filing Certificate for Internet Medicines and Medical Appliances Information Service, Internet Audio-Visual Program Transmission License, Commercial Performance License, Private School Operating License and the Filing Certificate of Food Operation. And the Internet Religious Information Service License has expired on August 25, 2025, and we are in the process of applying for renewal of such license. There is uncertainty as to whether we will be able to renew such licenses. However, given the uncertainties of interpretation and implementation of the laws and regulations and the enforcement practice by government authorities, we cannot assure you that our PRC subsidiaries and the VIEs have obtained all the permits or licenses required for conducting businesses in China. And we may be required to obtain additional licenses, permits, filings, or approvals for our business operations in the future. We cannot assure you that we will be able to obtain such additional licenses, permits, qualifications, or approvals in a timely manner, or at all. For more detailed information, see "Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—If we fail to obtain and maintain the requisite licenses and approvals required under the complex regulatory environment applicable to our businesses in China, or if we are required to take compliance actions in this regard, our business, financial condition, and results of operations may be materially and adversely affected."

For example, on December 28, 2021, the CAC and several other PRC government authorities jointly issued the Cybersecurity Review Measures, which took effect on February 15, 2022. Pursuant to the Cybersecurity Review Measures, critical information infrastructure operators that intend to purchase internet products and services and internet platform operators engaging in data processing activities that affect or may affect national security must be subject to the cybersecurity review. The Cybersecurity Review Measures further stipulate that if an internet platform operator has personal information of over one million users and pursues a foreign listing, it must be subject to the cybersecurity review. In addition, on February 17, 2023, the CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, or the Overseas Offering and Listing Measures, which came into effect on March 31, 2023. On the same day, the CSRC also published a series of guidance rules and Q&As in connection with the implementation of the Overseas Offering and Listing Measures. The Overseas Offering and Listing Measures establishes a new filing-based regime to regulate overseas offerings and listings by PRC domestic companies, according to which an overseas offering of securities (including shares, depository receipts, corporate bonds convertible into shares and other securities in nature of equity) and listing by a PRC domestic company, either in direct or indirect manner, has to be filed with the CSRC. On February 17, 2023, the CSRC also held a press conference for the release of the Overseas Offering and Listing Measures, which, among other things, clarifies that companies that have already been listed overseas before March 31, 2023, the effective date of the Overseas Offering and Listing Measures, are not required to complete the overseas listing filing immediately, but shall complete filings as required if they conduct refinancing or are involved in other circumstances that require filing with the CSRC. For more detailed information, see "Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—The PRC government's oversight over our business operations could result in a material adverse change in our operations and the value of our Class A ordinary shares and the ADSs."

As of the date of this annual report, we have not been asked to obtain or denied any permission by any PRC government authority in connection with our historical issuances of securities to foreign investors. Based on the foregoing and pursuant to current PRC laws and regulations and in connection with our historical issuances of securities to foreign investors that have been completed before the effective date of the Overseas Offering and Listing Measures, as advised by Global Law Office, our PRC legal counsel, we, our PRC subsidiaries, and the VIEs, (i) are not required to obtain permissions from the CSRC despite that we shall be required to go through filing procedures with the CSRC for our future issuance or offering of securities (including shares, depository receipts, corporate bonds convertible into shares, and other securities in nature of equity) to foreign investors if we meet certain conditions set forth in the Overseas Offering and Listing Measures for an indirect overseas offering and listing by a PRC domestic company, and (ii) are not required to go through cybersecurity review by the CAC. However, if any of our holding company, our PRC subsidiaries, and the VIEs are deemed to be a critical information infrastructure operator or a network platform operator, whose network product or service purchasing or data processing activities affect or may affect national security, we would be required to go through a cybersecurity review by the CAC.

Cash and Asset Flows Through Our Organization

Zhihu Inc. is a holding company with no operations of its own. We conduct our operations in China primarily through our PRC subsidiaries and VIEs in China. As a result, although other means are available for us to obtain financing at the holding company level, Zhihu Inc.'s ability to pay dividends to the shareholders and to service any debt it may incur may depend upon dividends paid by our PRC subsidiaries and service fees paid by the VIEs and their subsidiaries. If any of our subsidiaries incurs debt on its own behalf in the future, the instruments governing such debt may restrict its ability to pay dividends to Zhihu Inc. In addition, under PRC laws and regulations, our PRC subsidiaries are permitted to pay dividends only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Furthermore, our PRC subsidiaries and VIEs and their subsidiaries are required to make appropriations to certain statutory reserve funds or may make appropriations to certain discretionary funds, which are not distributable as cash dividends except in the event of a solvent liquidation of the companies. For more details, see "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Holding Company Structure."

The VIEs may transfer cash to the relevant WFOE by paying service fees according to the exclusive business cooperation agreement or exclusive technology development, consultancy and services agreements. In 2023, 2024 and 2025, the total amount of such service fees that VIEs paid to the relevant WFOE under the applicable agreements was RMB834.5 million, RMB695.9 million and RMB595.4 million (US$85.1 million), respectively.

Under PRC laws and regulations, our PRC subsidiaries and the VIEs and their subsidiaries are subject to certain restrictions with respect to payment of dividends or otherwise transfers of any of their net assets to us. Remittance of dividends by a wholly foreign-owned enterprise out of China is also subject to examination by the banks designated by the PRC State Administration of Foreign Exchange, or SAFE. These restrictions are benchmarked against the paid-up capital and the statutory reserve funds of our PRC subsidiaries and the net assets of the VIEs in which we have no legal ownership. As of December 31, 2023, 2024 and 2025, the total amount of such restriction to which our PRC subsidiaries and the VIEs and their subsidiaries are subject was RMB2.3 billion, RMB2.1 billion and RMB1.1 billion (US$156.8 million), respectively. For risks relating to the fund flows of our operations in China, see "Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—We principally rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have. Any limitation on the ability of our PRC subsidiaries to make payments to us could materially and adversely affect our ability to conduct our business or financial condition."

Under PRC laws, Zhihu Inc. may fund its PRC subsidiaries only through capital contributions or loans, and fund the VIEs or their subsidiaries only through loans, subject to satisfaction of applicable government registration and approval requirements. As of December 31, 2023, 2024 and 2025, the aggregate amount of capital contribution by Zhihu Inc. to its intermediate holding companies and subsidiaries was RMB10.0 billion, RMB9.6 billion and RMB9.2 billion (US$1.3 billion), respectively, and the outstanding balance of the principal amount of loans to the VIEs and their subsidiaries was RMB51.7 million, RMB51.7 million and RMB51.7 million (US$7.4 million), respectively.

In 2023, 2024 and 2025, no assets other than cash were transferred through our organization.

Zhihu Inc. has not declared or paid any cash dividends since the listing of its ADSs on the New York Stock Exchange in March 2021, nor does it have any present plan to pay any cash dividends on its ordinary shares in the foreseeable future. We currently intend to retain most, if not all, of our available funds and any future earnings to operate and expand our business. See "Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Dividend Policy." For PRC and United States federal income tax considerations of an investment in our ADSs, see "Item 10. Additional Information—E. Taxation."

A. [Reserved]

Selected Financial Data

The following selected consolidated statements of operations data and selected consolidated statements of cash flow data for the years ended December 31, 2023, 2024 and 2025, and the selected consolidated balance sheets data as of December 31, 2024 and 2025 have been derived from our audited consolidated financial statements, which are included in this annual report beginning on page F-1. Our historical results are not necessarily indicative of results expected for future periods. You should read this selected financial data together with our audited consolidated financial statements and the related notes and information under "Item 5. Operating and Financial Review and Prospects" in this annual report. Our consolidated financial statements are prepared and presented in accordance with accounting principles generally accepted in the United States of America, or U.S. GAAP.

The following table sets forth our selected consolidated statements of operations data for the years indicated.

	For the Year Ended December 31,			
	2023	2024	2025	
	RMB	RMB	RMB	US$
	(in thousands, except for share and per share data)			
Selected Consolidated Statements of Operations Data:				
Revenues	**4,198,889**	**3,598,905**	**2,749,004**	**393,103**
Cost of revenues	(1,903,041)	(1,418,076)	(1,101,259)	(157,478)
Gross profit	**2,295,848**	**2,180,829**	**1,647,745**	**235,625**
Selling and marketing expenses	(2,048,090)	(1,599,186)	(1,252,274)	(179,073)
Research and development expenses	(901,452)	(732,553)	(524,996)	(75,073)
General and administrative expenses	(418,531)	(330,173)	(251,419)	(35,952)
Impairment of goodwill	—	—	(126,344)	(18,067)
Total operating expenses	**(3,368,073)**	**(2,661,912)**	**(2,155,033)**	**(308,165)**
Loss from operations	**(1,072,225)**	**(481,083)**	**(507,288)**	**(72,540)**
Investment income	41,695	65,441	231,864	33,156
Interest income	158,671	114,964	71,542	10,230
Fair value change of financial instruments	(5,170)	78,405	—	—
Exchange gains/(losses)	97	1,013	(233)	(33)
Others, net	49,236	42,902	30,641	4,382
Loss before income tax	**(827,696)**	**(178,358)**	**(173,474)**	**(24,805)**
Income tax (expenses)/benefits	(11,832)	9,391	(21,687)	(3,101)
Net loss	**(839,528)**	**(168,967)**	**(195,161)**	**(27,906)**
Net (income)/loss attributable to noncontrolling interests	(4,113)	(2,835)	2,260	323
Net loss attributable to Zhihu Inc.'s shareholders	**(843,641)**	**(171,802)**	**(192,901)**	**(27,583)**
Net loss per share				
Basic	(2.82)	(0.63)	(0.80)	(0.11)
Diluted	(2.82)	(0.63)	(0.80)	(0.11)
Weighted average shares used in net loss per share				
Basic	299,132,894	273,560,865	240,043,649	240,043,649
Diluted	299,132,894	273,560,865	240,043,649	240,043,649

The following table sets forth our selected consolidated balance sheets data as of the dates indicated.

	As of December 31,		
	2024	2025	
	RMB	RMB	US$
		(in thousands)	
Selected Consolidated Balance Sheets Data:			
Cash and cash equivalents	3,999,160	3,369,154	481,783
Term deposits	320,088	30,000	4,290
Short-term investments	538,816	840,938	120,253
Total current assets	**5,484,634**	**4,732,003**	**676,668**
Goodwill	126,344	—	—
Intangible assets, net	54,534	29,588	4,231
Total non-current assets	**248,318**	**458,871**	**65,618**
Total assets	**5,732,952**	**5,190,874**	**742,286**
Accounts payable and accrued liabilities	835,688	681,307	97,426
Salary and welfare payables	275,260	188,038	26,889
Contract liabilities	235,539	186,034	26,603
Total current liabilities	**1,524,656**	**1,268,414**	**181,382**
Net current assets	**3,959,978**	**3,463,589**	**495,286**
Total non-current liabilities	**12,610**	**47,416**	**6,780**
Total liabilities	**1,537,266**	**1,315,830**	**188,162**
Net assets	**4,195,686**	**3,875,044**	**554,124**
Total shareholders' equity	**4,195,686**	**3,875,044**	**554,124**
Total liabilities and shareholders' equity	**5,732,952**	**5,190,874**	**742,286**

The following table sets forth our selected consolidated statements of cash flow data for the years indicated.

	For the Year Ended December 31,			
	2023	2024	2025	
	RMB	RMB	RMB	US$
		(in thousands)		
Selected Consolidated Statements of Cash Flow				
Net cash used in operating activities	(415,527)	(280,185)	(363,605)	(51,993)
Net cash (used in)/provided by investing activities	(1,681,140)	2,562,617	(116,301)	(16,632)
Net cash used in financing activities	(365,056)	(403,862)	(131,629)	(18,822)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	42,510	14,851	(18,293)	(2,617)
Net (decrease)/increase in cash, cash equivalents and restricted cash	(2,419,213)	1,893,421	(629,828)	(90,064)
Cash, cash equivalents and restricted cash at the beginning of the year	4,525,852	2,106,639	4,000,060	572,001
Cash, cash equivalents and restricted cash at the end of the year	2,106,639	4,000,060	3,370,232	481,937

Financial Information Relating to the VIEs

The following tables present the condensed consolidating schedules for our consolidated variable interest entities and other entities for the years and as of the dates indicated.

Selected Condensed Consolidated Statements of Operations Data

	For the Year Ended December 31, 2025					
	Parent Company	Other Subsidiaries	WFOEs as Primary Beneficiaries	VIEs and its Subsidiaries	Eliminations	Consolidated Total
	(RMB in thousands)					
Inter-company revenues[1][4]	—	91,242	977,625	4,674	(1,073,541)	—
Third-party revenues	—	841,745	18,284	1,888,975	—	2,749,004
Inter-company cost and operating expenses [1] [4]	—	(296,075)	(75,588)	(701,878)	1,073,541	—
Third-party cost and operating expenses	(22,159)	(705,830)	(1,198,449)	(1,329,854)	—	(3,256,292)
Operating loss	**(22,159)**	**(68,918)**	**(278,128)**	**(138,083)**	**—**	**(507,288)**
Other income, net	49,090	247,211	35,247	2,266	—	333,814
Loss of the VIEs	—	—	(129,032)	—	129,032	—
Share of loss of subsidiaries[2]	(219,832)	(378,663)	(6,868)	—	605,363	—
Loss before income tax	**(192,901)**	**(200,370)**	**(378,781)**	**(135,817)**	**734,395**	**(173,474)**
Income tax (expenses)/benefits	—	(26,330)	118	4,525	—	(21,687)
Net loss	**(192,901)**	**(226,700)**	**(378,663)**	**(131,292)**	**734,395**	**(195,161)**
Net loss attributable to non-controlling interests shareholders	—	—	—	2,260	—	2,260
Net loss attributable to Zhihu Inc.'s shareholders	**(192,901)**	**(226,700)**	**(378,663)**	**(129,032)**	**734,395**	**(192,901)**

	For the Year Ended December 31, 2024					
	Parent Company	Other Subsidiaries	WFOEs as Primary Beneficiaries	VIEs and its Subsidiaries	Eliminations	Consolidated Total
	(RMB in thousands)					
Inter-company revenues[1][4]	—	147,845	1,455,634	569	(1,604,048)	—
Third-party revenues	—	1,273,401	29,408	2,296,096	—	3,598,905
Inter-company cost and operating expenses [1][4]	—	(785,368)	(83,414)	(735,266)	1,604,048	—
Third-party cost and operating expenses	(41,861)	(725,621)	(1,726,263)	(1,586,243)	—	(4,079,988)
Operating loss	**(41,861)**	**(89,743)**	**(324,635)**	**(24,844)**	**—**	**(481,083)**
Other income, net	51,937	180,273	43,851	26,664	—	302,725
Income of the VIEs	—	—	7,327	—	(7,327)	—
Share of (loss)/income of subsidiaries[2]	(181,878)	(264,207)	5,244	—	440,841	—
(Loss)/Income before income tax	**(171,802)**	**(173,677)**	**(268,213)**	**1,820**	**433,514**	**(178,358)**
Income tax (expenses)/benefits	—	(1,068)	4,006	6,453	—	9,391
Net (loss)/income	**(171,802)**	**(174,745)**	**(264,207)**	**8,273**	**433,514**	**(168,967)**
Net income attributable to non-controlling interests shareholders	—	(1,889)	—	(946)	—	(2,835)
Net (loss)/income attributable to Zhihu Inc.'s shareholders	**(171,802)**	**(176,634)**	**(264,207)**	**7,327**	**433,514**	**(171,802)**

	For the Year Ended December 31, 2023					
	Parent Company	Other Subsidiaries	WFOEs as Primary Beneficiaries	VIEs and Their Subsidiaries	Eliminations	Consolidated Total
	(RMB in thousands)					
Inter-company revenues[1][4]	—	152,279	1,671,378	485	(1,824,142)	—
Third-party revenues	—	1,716,008	37,051	2,445,830	—	4,198,889
Inter-company cost and operating expenses [1][4]	—	(814,448)	(106,363)	(903,331)	1,824,142	—
Third-party cost and operating expenses	(45,625)	(1,101,619)	(2,529,283)	(1,594,587)	—	(5,271,114)
Operating loss	**(45,625)**	**(47,780)**	**(927,217)**	**(51,603)**	**—**	**(1,072,225)**
Other income, net	17,988	128,371	77,868	20,302	—	244,529
Loss of the VIEs	—	—	(36,613)	—	36,613	—
Share of (loss)/income of subsidiaries[2]	(816,004)	(885,674)	4,294	—	1,697,384	—
Loss before income tax	**(843,641)**	**(805,083)**	**(881,668)**	**(31,301)**	**1,733,997**	**(827,696)**
Income tax expenses	—	(756)	(4,006)	(7,070)	—	(11,832)
Net loss	**(843,641)**	**(805,839)**	**(885,674)**	**(38,371)**	**1,733,997**	**(839,528)**
Net (income)/loss attributable to noncontrolling interests	—	(5,871)	—	1,758	—	(4,113)
Net loss attributable to Zhihu Inc.'s shareholders	**(843,641)**	**(811,710)**	**(885,674)**	**(36,613)**	**1,733,997**	**(843,641)**

Selected Condensed Consolidated Balance Sheets Data

	As of December 31, 2025					
	Parent Company	Other Subsidiaries	WFOEs as Primary Beneficiaries	VIEs and their Subsidiaries	Eliminations	Consolidated Total
	(RMB in thousands)					
Cash and cash equivalents	240,902	1,611,368	1,147,997	368,887	—	3,369,154
Term deposits	—	—	30,000	—	—	30,000
Short-term investments	71,279	530,495	184,363	54,801	—	840,938
Restricted cash	—	—	—	1,078	—	1,078
Trade receivables	—	277,704	3,091	77,203	—	357,998
Amounts due from related parties	—	5,574	5,648	14,348	—	25,570
Amounts due from Group companies[3][4]	2,893	205,189	561,327	42,107	(811,516)	—
Prepayments and other current assets	9,727	23,414	19,051	55,073	—	107,265
Total current assets	**324,801**	**2,653,744**	**1,951,477**	**613,497**	**(811,516)**	**4,732,003**
Property and equipment, net	—	175	4,550	624	—	5,349
Intangible assets, net	—	7,259	3,538	18,791	—	29,588
Investment in subsidiaries[2]	3,583,957	1,388,737	31,374	—	(5,004,068)	—
Long-term investments, net	—	158,480	—	—	—	158,480
Term deposits	—	210,000	—	—	—	210,000
Right-of-use assets	—	8,434	27,323	6,306	—	42,063
Other non-current assets	—	7,738	4,734	919	—	13,391
Total non-current assets	**3,583,957**	**1,780,823**	**71,519**	**26,640**	**(5,004,068)**	**458,871**
Total assets	**3,908,758**	**4,434,567**	**2,022,996**	**640,137**	**(5,815,584)**	**5,190,874**
Accounts payable and accrued liabilities	13,934	354,229	158,733	154,411	—	681,307
Salary and welfare payables	—	22,069	159,129	6,840	—	188,038
Taxes payable	—	5,050	6,484	4,751	—	16,285
Contract liabilities	—	26,786	75	159,173	—	186,034
Amounts due to related parties	—	12,325	2,498	1,312	—	16,135
Amounts due to Group companies[3] [4]	59,435	252,453	120,328	379,300	(811,516)	—
Short term lease liabilities	—	5,131	13,419	2,832	—	21,382
Short-term borrowings	—	9,000	26,000	—	—	35,000
Other current liabilities	31,253	36,327	29,065	27,588	—	124,233
Total current liabilities	**104,622**	**723,370**	**515,731**	**736,207**	**(811,516)**	**1,268,414**
Long term lease liabilities	—	2,383	10,306	2,903	—	15,592
Deferred tax liabilities	—	27,174	—	—	—	27,174
Other non-current liabilities	—	—	—	4,650	—	4,650
Net deficit of the VIEs	—	—	108,222	—	(108,222)	—
Total non-current liabilities	**—**	**29,557**	**118,528**	**7,553**	**(108,222)**	**47,416**
Total liabilities	**104,622**	**752,927**	**634,259**	**743,760**	**(919,738)**	**1,315,830**
Total Zhihu Inc.'s shareholders' equity/(deficit)	**3,804,136**	**3,676,679**	**1,388,737**	**(108,222)**	**(4,957,194)**	**3,804,136**
Noncontrolling interests	—	4,961	—	4,599	61,348	70,908
Total shareholders' equity/(deficit)	**3,804,136**	**3,681,640**	**1,388,737**	**(103,623)**	**(4,895,846)**	**3,875,044**
Total liabilities and shareholders' equity/(deficit)	**3,908,758**	**4,434,567**	**2,022,996**	**640,137**	**(5,815,584)**	**5,190,874**

	As of December 31, 2024					
	Parent Company	Other Subsidiaries	WFOEs as Primary Beneficiaries	VIEs and their Subsidiaries	Eliminations	Consolidated Total
	(RMB in thousands)					
Cash and cash equivalents	37,711	2,068,524	1,396,034	496,891	—	3,999,160
Term deposits	70,378	179,710	70,000	—	—	320,088
Short-term investments	—	356,378	176,814	5,624	—	538,816
Restricted cash	—	—	—	900	—	900
Trade receivables	—	346,690	3,052	70,894	—	420,636
Amounts due from related parties	—	6,625	23,901	11,062	—	41,588
Amounts due from Group companies[3][4]	2,814	341,967	658,629	47,479	(1,050,889)	—
Prepayments and other current assets	7,759	34,847	34,450	86,390	—	163,446
Total current assets	**118,662**	**3,334,741**	**2,362,880**	**719,240**	**(1,050,889)**	**5,484,634**
Property and equipment, net	—	364	7,670	456	—	8,490
Intangible assets, net	—	8,939	4,053	41,542	—	54,534
Goodwill	—	22,830	—	103,514	—	126,344
Net assets of the VIEs	—	—	12,393	—	(12,393)	—
Investment in subsidiaries[2]	4,139,841	1,723,737	37,832	—	(5,901,410)	—
Long-term investments, net	—	51,176	—	—	—	51,176
Right-of-use assets	—	4,831	—	2,320	—	7,151
Other non-current assets	—	195	50	378	—	623
Total non-current assets	**4,139,841**	**1,812,072**	**61,998**	**148,210**	**(5,913,803)**	**248,318**
Total assets	**4,258,503**	**5,146,813**	**2,424,878**	**867,450**	**(6,964,692)**	**5,732,952**
Accounts payable and accrued liabilities	29,858	355,730	241,575	208,525	—	835,688
Salary and welfare payables	—	16,490	245,659	13,111	—	275,260
Taxes payable	—	7,222	9,974	4,885	—	22,081
Contract liabilities	—	39,985	47	195,507	—	235,539
Amounts due to related parties	—	49	4,190	2,586	—	6,825
Amounts due to Group companies[3] [4]	60,556	446,579	153,012	390,742	(1,050,889)	—
Short term lease liabilities	—	3,342	11,903	2,063	—	17,308
Other current liabilities	31,966	43,049	34,781	22,159	—	131,955
Total current liabilities	**122,380**	**912,446**	**701,141**	**839,578**	**(1,050,889)**	**1,524,656**
Long term lease liabilities	—	1,738	—	85	—	1,823
Deferred tax liabilities	—	2,235	—	4,595	—	6,830
Other non-current liabilities	—	—	—	3,957	—	3,957
Total non-current liabilities	**—**	**3,973**	**—**	**8,637**	**—**	**12,610**
Total liabilities	**122,380**	**916,419**	**701,141**	**848,215**	**(1,050,889)**	**1,537,266**
Total Zhihu Inc.'s shareholders' equity	**4,136,123**	**4,225,433**	**1,723,737**	**12,393**	**(5,961,563)**	**4,136,123**
Noncontrolling interests	—	4,961	—	6,842	47,760	59,563
Total shareholders' equity	**4,136,123**	**4,230,394**	**1,723,737**	**19,235**	**(5,913,803)**	**4,195,686**
Total liabilities and shareholders' equity	**4,258,503**	**5,146,813**	**2,424,878**	**867,450**	**(6,964,692)**	**5,732,952**

Selected Condensed Consolidated Statements of Cash Flow Data

	For the Year Ended December 31, 2025					
	Parent Company	Other Subsidiaries	WFOEs as Primary Beneficiaries	VIEs and their Subsidiaries	Eliminations	Consolidated Total
	(RMB in thousands)					
Purchases of goods and services from Group companies	—	(333,678)	(70,551)	(626,872)	1,031,101	—
Other operating activities with Group companies	—	102,051	924,808	4,242	(1,031,101)	—
Other operating/administrative activities with external parties	17,866	176,809	(1,327,012)	768,732	—	(363,605)
Net cash provided by/(used in) operating activities	**17,866**	**(54,818)**	**(472,755)**	**146,102**	**—**	**(363,605)**
Purchases of short-term investments	(71,013)	(4,460,126)	(6,077,000)	(2,807,713)	—	(13,415,852)
Proceeds of maturities of short-term investments	—	4,314,036	6,085,368	2,765,045	—	13,164,449
Purchases of term deposits	(502,525)	(210,000)	(30,000)	—	—	(742,525)
Proceeds from withdrawal of term deposits	564,963	179,531	70,000	—	—	814,494
Investing activities with Group companies	361,367	223,231	47,290	6,376	(638,264)	—
Other investing activities with external parties	—	64,118	(636)	(349)	—	63,133
Net cash provided by/(used in) investing activities	**352,792**	**110,790**	**95,022**	**(36,641)**	**(638,264)**	**(116,301)**
Financing activities with Group companies	—	(369,407)	(31,570)	(237,287)	638,264	—
Payments for repurchase of shares	(167,060)	—	—	—	—	(167,060)
Proceeds from short-term borrowings	—	35,000	161,294	—	—	196,294
Repayment of short-term borrowings	—	(161,294)	—	—	—	(161,294)
Other financing activities with external parties	431	—	—	—	—	431
Net cash (used in)/provided by financing activities	**(166,629)**	**(495,701)**	**129,724**	**(237,287)**	**638,264**	**(131,629)**
Effect of exchange rate changes on cash, cash equivalents and restricted cash	**(838)**	**(17,427)**	**(28)**	**—**	**—**	**(18,293)**
Net increase/(decrease) in cash, cash equivalents and restricted cash	203,191	(457,156)	(248,037)	(127,826)	—	(629,828)
Cash, cash equivalents and restricted cash at beginning of the year	37,711	2,068,524	1,396,034	497,791	—	4,000,060
Cash, cash equivalents and restricted cash at end of the year	**240,902**	**1,611,368**	**1,147,997**	**369,965**	**—**	**3,370,232**

	For the Year Ended December 31, 2024					
	Parent Company	Other Subsidiaries	WFOEs as Primary Beneficiaries	VIEs and their Subsidiaries	Eliminations	Consolidated Total
	(RMB in thousands)					
Purchases of goods and services from Group companies	—	(732,188)	(81,305)	(696,877)	1,510,370	—
Other operating activities with Group companies	—	82,305	1,428,065	—	(1,510,370)	—
Other operating/administrative activities with external parties	18,577	902,752	(1,923,578)	722,064	—	(280,185)
Net cash provided by/(used in) operating activities	**18,577**	**252,869**	**(576,818)**	**25,187**	**—**	**(280,185)**
Purchases of short-term investments	(35,679)	(2,956,230)	(4,919,879)	(1,202,944)	—	(9,114,732)
Proceeds of maturities of short-term investments	35,582	3,069,418	6,018,010	1,286,977	—	10,409,987
Purchases of term deposits	(69,150)	(534,223)	(70,000)	—	—	(673,373)
Proceeds from withdrawal of term deposits	71,006	1,881,449	—	—	—	1,952,455
Investing activities with Group companies	412,504	—	(18,142)	—	(394,362)	—
Other investing activities with external parties	—	(21,176)	(2,138)	11,594	—	(11,720)
Net cash provided by investing activities	**414,263**	**1,439,238**	**1,007,851**	**95,627**	**(394,362)**	**2,562,617**
Financing activities with Group companies	—	(412,504)	—	18,142	394,362	—
Payments for repurchase of shares	(400,707)	—	—	—	—	(400,707)
Proceeds from short-term borrowings	—	51,774	—	—	—	51,774
Repayment of short-term borrowings	—	(51,774)	—	—	—	(51,774)
Other financing activities with external parties	1,158	(4,513)	—	200	—	(3,155)
Net cash (used in)/provided by financing activities	**(399,549)**	**(417,017)**	**—**	**18,342**	**394,362**	**(403,862)**
Effect of exchange rate changes on cash, cash equivalents and restricted cash	**1,549**	**12,939**	**363**	**—**	**—**	**14,851**
Net increase in cash, cash equivalents and restricted cash	34,840	1,288,029	431,396	139,156	—	1,893,421
Cash and cash equivalents at beginning of the year	2,871	780,495	964,638	358,635	—	2,106,639
Cash, cash equivalents and restricted cash at end of the year	**37,711**	**2,068,524**	**1,396,034**	**497,791**	**—**	**4,000,060**

	For the Year Ended December 31, 2023					
	Parent Company	Other Subsidiaries	WFOEs as Primary Beneficiaries	VIEs and their Subsidiaries	Eliminations	Consolidated Total
	(RMB in thousands)					
Purchases of goods and services from Group companies	—	(752,000)	(132,500)	(878,010)	1,762,510	—
Other operating activities with Group companies	—	176,010	1,586,500	—	(1,762,510)	—
Other operating/administrative activities with external parties	(44,388)	722,250	(2,187,123)	1,093,734	—	(415,527)
Net cash (used in)/provided by operating activities	**(44,388)**	**146,260**	**(733,123)**	**215,724**	**—**	**(415,527)**
Purchases of short-term investments	—	(992,252)	(6,110,000)	(431,000)	—	(7,533,252)
Proceeds of maturities of short-term investments	—	698,340	5,498,902	387,014	—	6,584,256
Purchases of term deposits	(72,054)	(2,605,540)	—	—	—	(2,677,594)
Proceeds from withdrawal of term deposits	—	2,047,915	—	—	—	2,047,915
Investing activities with Group companies	284,017	—	—	—	(284,017)	—
Other investing activities with external parties	—	(30,219)	(8,384)	(63,862)	—	(102,465)
Net cash used in investing activities	**211,963**	**(881,756)**	**(619,482)**	**(107,848)**	**(284,017)**	**(1,681,140)**
Financing activities with Group companies	—	(284,017)	—	—	284,017	—
Payments for repurchase of shares	(369,569)	—	—	—	—	(369,569)
Other financing activities with external parties	4,513	—	—	—	—	4,513
Net cash used in financing activities	**(365,056)**	**(284,017)**	**—**	**—**	**284,017**	**(365,056)**
Effect of exchange rate changes on cash and cash equivalents	**3,340**	**38,602**	**568**	**—**	**—**	**42,510**
Net (decrease)/ increase in cash and cash equivalents	(194,141)	(980,911)	(1,352,037)	107,876	—	(2,419,213)
Cash and cash equivalents at beginning of the year	197,012	1,761,406	2,316,675	250,759	—	4,525,852
Cash and cash equivalents at end of the year	**2,871**	**780,495**	**964,638**	**358,635**	**—**	**2,106,639**

Notes:

(1) Intercompany sales of goods and services were eliminated at the consolidation level.

(2) It represents the elimination of the investment among Zhihu Inc., other subsidiaries and the primary beneficiary of VIEs.

(3) It represents the elimination of intercompany balances among Zhihu Inc., other subsidiaries, the primary beneficiary of VIEs, VIEs and VIEs' subsidiaries.

(4) For the years ended December 31, 2023, 2024 and 2025, VIEs have incurred RMB857.4 million, RMB670.6 million and RMB686.2 million (US$98.1 million) in fees related services provided by the WFOEs and WFOEs concurrently recognized same amounts as revenues, respectively. In the same periods, cash paid by VIEs to WFOEs for service fees were RMB834.5 million, RMB695.9 million and RMB595.4 million (US$85.1 million), respectively. Unsettled balance of such transactions was RMB136.2 million and RMB270.3 million (US$38.7 million) as of December 31, 2024 and 2025, respectively.

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risks Factors

Summary of Risk Factors

An investment in the ADSs or our Class A ordinary shares involves significant risks. Below is a summary of material risks that we face, organized under relevant headings. These risks are discussed more fully in "Item 3. Key Information—D. Risk Factors."

Risks Relating to Our Business and Industry

- Our business depends on our ability to offer high-quality user-generated content for our users.
- Our success depends on our ability to attract and maintain an engaged user base.
- If we fail to maintain and strengthen our community culture, brand, and reputation, our ability to expand our user base and enhance content-centric monetization could be impaired, and our business, financial condition, and results of operations could be materially and adversely affected.
- We have incurred net loss and negative operating cash flow in the past, which may continue in the future.
- We may not be able to manage our growth effectively, which may compromise the success of our business.
- We are subject to risks associated with financing activities and liquidity.
- If we fail to retain or attract merchants and brands, or to increase their spending with us, our business, financial condition, and results of operations may be materially and adversely affected.
- We cannot assure you that our new business initiatives and monetization strategies will be successfully implemented.
- We operate in a highly competitive market, and may not be able to compete effectively.
- If we fail to keep up with the technological developments, our business, financial condition, results of operations, and prospects may be materially and adversely affected.
- Our investments in generative AI may not be commercially successful, and we face potential issues in the use of AI in our business operations.
- Our business is subject to complex and evolving laws and regulations regarding cybersecurity and data privacy.

Risks Relating to Our Corporate Structure

- We are a Cayman Islands holding company with no equity ownership in the VIEs and we conduct our operations in China through (i) our PRC subsidiaries and (ii) the VIEs, with which we have maintained contractual arrangements, and their subsidiaries. Investors in our ADSs thus are not purchasing equity interest in the VIEs in China but instead are purchasing equity interest in a Cayman Islands holding company. If the PRC government deems that our contractual arrangements with the VIEs do not comply with PRC regulatory restrictions on foreign investment in applicable industries, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations. Our holding company in the Cayman Islands, the VIEs, and investors of our company face uncertainty about potential future actions by the PRC government that could affect the enforceability of the contractual arrangements with the VIEs and, consequently, significantly affect the financial performance of our consolidated VIEs and our company as a group.

- Our contractual arrangements may not be as effective in providing operational control as direct ownership and shareholders of the VIEs may fail to perform their obligations under our contractual arrangements.

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

Risks Relating to Doing Business in China

- Changes in China's economic, political or social conditions, or government policies could materially and adversely affect our business and results of operations.

- The PRC laws, rules and regulations and their interpretation and enforcement may evolve quickly, which could have a material adverse effect on us.

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

- If we fail to obtain and maintain the requisite licenses and approvals required under the complex regulatory environment applicable to our businesses in China, or if we are required to take compliance actions in this regard, our business, financial condition, and results of operations may be materially and adversely affected.

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

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

Risks Relating to Our ADSs and Class A Ordinary Shares

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

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

Risks Relating to Our Business and Industry

Our business depends on our ability to offer high-quality user-generated content for our users.

Our success depends on our ability to offer high-quality user-generated content, including content that broadens horizons, provides solutions, and resonates with minds, for our users. The quality of the Zhihu content is fundamental in providing superior user experience and maintaining the attractiveness and value of the Zhihu community. We rely on our experience from past and current operations to inspire, manage, and refine high-quality content, which may not be effective as we do not simply follow user preferences and market trends. If we are unable to expand into new verticals or further develop existing verticals, we may not be able to keep our content offerings comprehensive and up to date. If we fail to maintain the balance between user preferences and our assessment of content quality, the quality of the Zhihu content may be compromised, and the Zhihu community may be less attractive for users. We cannot assure you that our content operations could always effectively yield high-quality content for users, or that the function and iteration of TopicRank algorithms could interact smoothly with our content operation approach with our understanding as expected.

We are a UGC-based online content community, where content creators are critical to our continued success. We encourage users to become content creators and provide ongoing support and guidance to them. We cannot assure you that our content creators will continue to create sufficient high-quality content for the Zhihu community, or at all. Any failure to continue to encourage, support, or incentivize content creators may materially and adversely affect the quality of our content offerings.

We offer and curate premium content for our subscribing members through our Yan Selection membership program. If our premium content fails to attract users or meet their expectations, we may not be able to maintain or increase the number of our subscribing members, which could materially and adversely affect our business, financial condition, and results of operations.

In addition, changes in user preferences resulting from technological developments may also adversely affect us. For example, the widespread adoption of artificial intelligence could significantly change the way people look for content or the type of content they consume. Responding to this change could require substantial expenditures to integrate artificial intelligence capabilities into our community. We have been actively embracing this challenge and developing AI-powered tools for our users such as Zhihu Zhida. However, we cannot assure you that we will be able to capture these potential benefits of artificial intelligence in a timely manner or at all. In addition, our competitors may develop artificial intelligence products and technologies that are similar or superior to our technologies or more cost-effective to deploy. Other companies may also integrate artificial intelligence into their offerings more efficiently. If we fail to keep up with rapid technological changes to remain competitive, our future success may be adversely affected.

If we cannot continue to offer high-quality content and enhance our content offerings, the reputation and attractiveness of the Zhihu community could be compromised and we may experience a decline in our user base, which could materially and adversely affect our business, financial condition, and results of operations.

Our success depends on our ability to attract and maintain an engaged user base.

Our success and continued growth are driven by our diverse and highly engaged user base, who exhibit a high level of engagement through active participation and contribution. We attract and retain users with high-quality content, and any decline in the breadth, depth, and quality of our content offerings may adversely affect our ability to maintain and further expand a large and engaged user base.

We also strategically deploy multi-dimensional growth strategies to complement our word-of-mouth referrals, such as brand marketing, targeted campaigns, and pre-installations on mobile devices, to achieve user growth and increase the engagement of new and existing users. These strategies and user growth efforts may turn out to be ineffective, and we may not be able to acquire more users effectively or may experience a decline in our user base. For example, if some of our efforts to increase user traffic are found to be ineffective or even objectionable, such efforts may not justify the associated costs and could be counterproductive if they lead to negative user experience. Furthermore, we benefit from our strong Zhihu brand and reputation as a go-to destination for trustworthy content, which leads to our low user acquisition costs. Damage to our brand and reputation could materially and adversely affect our user growth and increase our user acquisition costs.

If we fail to maintain and strengthen our community culture, brand, and reputation, our ability to expand our user base and enhance content-centric monetization could be impaired, and our business, financial condition, and results of operations could be materially and adversely affected.

Our community culture, underpinned by sincerity, expertise, and respect, is critical to the attractiveness of the Zhihu community and user experience. However, we cannot assure you that we can maintain our community culture along with our fast growth, as new users may not honor our community governance protocols or fit well into our culture, which could disrupt the good order of the Zhihu community despite our efforts to encourage new users to embrace and honor our community culture, which could in turn damage other users' experience and discourage them from joining, engaging in, or contributing to, the Zhihu community. In addition, frictions among users and objectionable or otherwise valueless content in our community may damage our community culture and adversely affect the emotional and psychological well-being of our users. If we are unable to maintain our sound community culture, the attractiveness of the Zhihu community could be diminished.

In addition, our brand and reputation are critical to our success and may be adversely affected by objectionable content or user activities in the Zhihu community that are perceived as inappropriate, hostile, or illegal, or by information that is perceived as misleading. We may fail to respond expeditiously to such objectionable content or user activity, or otherwise address user concerns. As our community further grows in scale, we may not be able to identify and respond to such content or user activity in a timely manner, which could erode the trust in our brand and damage our reputation. Any government or regulatory inquiry, investigation, or action based on objectionable content or user activity in the Zhihu community, our business practices, or failure to comply with laws and regulations, could damage our brand and reputation regardless of the outcome.

Furthermore, it is important for us to maintain a good balance between monetization and our reputation for providing superior user experience. Our users may find the advertisements or the commercial content in the Zhihu community irrelevant, unhelpful, or intrusive. If we fail to balance user experience as we further enhance monetization, our brand and reputation may be adversely affected.

We have experienced, and may continue to experience, government, regulatory, investor, media, and other third-party scrutiny of our community, content, data privacy, cybersecurity, or other business practice. Actions of our employees, users, or business partners, or other issues, may also harm our brand and reputation. If we fail to promote and maintain the Zhihu brand or preserve our reputation, or if we incur excessive expenses in this effort, our business, financial condition, and results of operations could be materially and adversely affected.

We have incurred net loss and negative operating cash flow in the past, which may continue in the future.

We have incurred net loss and negative operating cash flow in the past. In 2023, 2024 and 2025, we had net loss of RMB839.5 million, RMB169.0 million and RMB195.2 million (US$27.9 million) and negative operating cash flow of RMB415.5 million, RMB280.2 million and RMB363.6 million (US$52.0 million), respectively. We cannot assure you that we will be able to generate net profit or positive operating cash flow in the future. Our ability to achieve profitability and positive operating cash flow largely depends on our ability to grow our user base and enhance monetization, but we cannot assure you that we will be successful in these endeavors. We may continue to experience net loss and negative operating cash flow in the future due to increasing content and other costs, including those for commercial content, as well as our continued spending in growth and marketing and investments in technology, people, infrastructure, and new initiatives. Although we are disciplined about our costs and operating expenses and continue to undertake cost control measures, there can be no assurance that these measures will be effective, and our costs and operating expenses may continue to negatively affect our profitability. In addition, our ability to achieve and sustain profitability is affected by various factors, some of which are beyond our control, such as changes in macroeconomic conditions, regulatory environment, or competitive dynamics in the industry. If we cannot effectively maintain or achieve revenue growth at scale, or if we are unable to achieve profitability or maintain and enhance our liquidity, our business, financial condition, and results of operations may be materially and adversely affected.

We may not be able to manage our growth effectively, which may compromise the success of our business.

The success of our business largely depends on our ability to effectively maintain our user and revenue growth. We attract and retain users with high-quality content, and we also strategically deploy marketing and other user acquisition strategies. Our MAU growth may fluctuate on a quarterly basis, which makes it difficult to predict. Although we expect our user base to continue to experience a growing trend in the near future, we may experience fluctuations of quarterly average MAUs on a quarterly basis, particularly during the fourth and first quarter of a year. For further details, see "Item 4. Information on the Company—B. Business Overview—Our Monetization."

As we further expand our business, content offerings, and products and services, we may face challenges in relation to managerial resources, human resources, technological infrastructure, capital resources, and corporate culture. We cannot assure you that our current infrastructure, systems, procedures, and internal controls will be adequate to support our expanding operations, that we can maintain our collaborative corporate culture, or that we can continuously manage our relationships with third parties with success. If we fail to manage our expansion effectively, our business, financial condition, results of operations, and prospects may be materially and adversely affected.

As we only have a limited history of operating our business at scale, it is difficult to evaluate our current business and future prospects, including our ability to grow in the future. Continued growth could also challenge our ability to provide consistent experience for new and existing users, content creators, and business partners, develop and improve our operating, financial, legal, and management controls, and enhance our reporting systems and procedures. Our costs and expenses may grow faster than our revenues and may be greater than what we anticipate. Managing our growth will require significant expenditures and appropriate allocation of valuable management resources. If we fail to achieve the necessary level of efficiency in our organization as it grows, our business, financial condition, and results of operations could be adversely affected.

We are subject to risks associated with financing activities and liquidity.

Growing and operating our business may require significant cash investments, capital expenditures, and commitments to respond to business challenges, including developing or enhancing new or existing services and technologies and expanding our infrastructure. If cash on hand and cash generated from operations are not sufficient to meet our cash and liquidity needs, we may need to seek additional capital, potentially through debt or equity financings. We may not be able to raise required cash on terms acceptable to us in a timely manner, or at all. Such financings may be on terms that are dilutive or potentially dilutive to our shareholders, and the prices at which new investors would be willing to purchase our securities or related financial instruments may be lower than the current market prices of our Class A ordinary shares or the ADSs. The holders of new securities may also have rights, preferences, or privileges that are senior to those of existing stockholders. In addition, we currently have limited asset to pledge for loans or other debt financing transactions. If new financing sources are required, but are insufficient or unavailable, we may need to modify our growth and operating plans and business strategies based on available funding, if any, which would harm our ability to grow our business.

If we fail to retain or attract merchants and brands, or to increase their spending with us, our business, financial condition, and results of operations may be materially and adversely affected.

Revenues generated from our business side customers, such as marketing services revenue from merchants and brands, are crucial to our business. In 2023, 2024 and 2025, the revenues from marketing services accounted for 39.4%, 34.7% and 30.7% of our total revenue, respectively. We cannot assure you that we will be able to retain existing or attract new merchants and brands effectively. If the marketing budgets of merchants and brands decrease, or if they believe that they can achieve better returns elsewhere, we may experience a decline in their spending with us. Our competitors may provide better marketing services. If merchants and brands believe that their spending on online content communities do not generate expected returns, they may also switch to other internet channels such as search engines, news platforms, short video platforms, e-commerce platforms, and social media platforms, or other traditional channels such as television, newspapers, and magazines, and reduce or discontinue business with us. Among our marketing services, merchants and brands may find our online advertising to be ineffective to market their products and services, and competition may lead to a decrease in our fee rates. In addition, if the commercial content created through our marketing services does not appeal to or is not successfully distributed to the targeted audience, we may not attract sufficient merchants and brands or generate expected revenue. Moreover, merchants and brands may have limited experience in our services for commercial content and may not be able to utilize our solutions effectively to achieve expected commercial results or otherwise meet their expectation. Furthermore, some of the merchants and brands may have different budget allocation strategies, which may affect their spending on our marketing services. Failure to retain existing or attract new merchants and brands, to increase their spending with us, or to develop effective marketing services may materially and adversely affect our business, financial condition, and results of operations.

We cannot assure you that our new business initiatives and monetization strategies will be successfully implemented.

Our content-centric monetization strategies are evolving. We derive revenues primarily from marketing services, paid membership, and other services. We seek to maintain a delicate balance between our monetization needs and the necessity of maintaining a positive user experience on Zhihu with a reasonable level of presentation of marketing services. We also continue to identify monetization opportunities and introduce additional products and services. We may have limited experience in operating and achieving profitability in new business initiatives. If our new business initiatives or monetization strategies fail, we may not be able to maintain or increase our revenue or recover any associated costs, expenses, and other expenditures. If these new business initiatives fail to attract or retain users or to generate sufficient revenue to justify our investments, or if our marketing services significantly impedes user experience, our business, financial condition, and results of operations may be materially and adversely affected.

We operate in a highly competitive market, and may not be able to compete effectively.

We operate along other online content communities, including Q&A-inspired online communities. Some of our competitors have a longer operating history, a larger user base, or greater financial resources than we do. We compete to attract, engage, and retain users, content creators, and merchants and brands. Our competitors may compete with us in a variety of ways, including by providing better content, fulfilling evolving user needs, providing content creation utilities, as well as conducting brand promotions and other marketing activities. Except for certain exclusive content on Zhihu, our content creators are generally free to post their content on our competitors' communities or platforms, which may divert user traffic from the Zhihu community. If any of our competitors achieves greater market acceptance than we do or is able to offer more attractive content, our user base and our market share may decrease, which may materially and adversely affect our business, financial condition, and results of operations.

If we fail to keep up with the technological developments, our business, financial condition, results of operations, and prospects may be materially and adversely affected.

The online content communities are rapidly evolving with continued technological advancement, and our success will depend on our ability to keep up with such technological advancement. For example, failure to maintain or improve the effectiveness of our Zhihaitu AI may impair our comprehension of content and understanding of content creators and thus adversely affect our capability to manage content operations and user experience; failure of our low-quality content-filtering system and anti-spamming system may adversely affect our ability to ensure a healthy community culture and provide superior user experience; failure to introduce effective productivity tools to content creators may cause a decline in the volume and quality of our content, which would adversely affect the attractiveness of the Zhihu community; and failure to continually refine our question routing system may lead to difficulties in distributing content to relevant users, which could result in reduced user traffic and user base.

We may not be able to execute our technological strategies successfully due to a variety of reasons such as technical difficulties, inaccurate predictions of industry trend and demand, or lack of necessary resources. Failure to keep up with technological advancement may result in less attractive products and services, which may in turn materially and adversely affect our business, financial condition, results of operations, and prospects.

Our investments in generative AI may not be commercially successful, and we face potential issues in the use of AI in our business operations.

In recent years, we continued to advance our technological development through internal initiatives, highlighted by the explorations on generative AI. In 2023, we launched our first Large Language Model, Zhihaitu AI, which has received regulatory registration in November 2023. Thereafter, we have geared more towards exploring in AI application-layer scenarios. In June 2024, we launched AI search product, Zhihu Zhida, providing all users with a superior and faster experience in querying, searching, generating and summarizing results on the PC platform. User visits to Zhihu Zhida have increased rapidly, and we also introduced the "professional Search" feature, which represents a meaningful step forward in building our differentiated approach in exploring deeper, specialized scenarios. We have been making significant investments in generative AI, especially in AI application scenarios designed to empower our diverse, professional, and reliable community. However, generative AI and the relevant technologies are in early stages of development, and there is no demonstrated commercial business model for these technologies. Similar to many other disruptive innovations, AI presents risk and challenges that could negatively affect our business. Our Zhihaitu AI or other models may not effectively recommend content or improve the efficiency of the search function for users as expected. Content created with the assistance of generative AI may not be well-received by our users. Negative publicity or perception on AI practices by us or others could impair the acceptance of our AI technologies. As such, we cannot guarantee that our investments in generative AI could enhance the efficiency and improve the experience of our community or yield commercially successful results.

In addition, the regulatory and legal framework on AI in mainland China is evolving rapidly. In recent years, the PRC government authorities have released a series of laws and regulations related to artificial intelligence. See "Item 4. Information on the Company—B. Business Overview—Regulations—Regulations on Artificial Intelligence." These laws and regulations are relatively new, and the government authorities may introduce additional or more detailed laws and regulations to oversee the use of AI. Therefore, we may need to comply with more compliance requirements in the field of generative AI, which could increase our compliance costs. Besides our own investment and development in AI, we also cooperated with other AI companies to build up our technology capabilities and expand commercial potential, and such cooperation may involve risks and uncertainties in cyberseucirty, data compliance, and reputation of our platform.

The use of generative AI may involve complex intellectual property issues. As the applicable laws and regulations in mainland China are still evolving and subject to further interpretation and implementation, AI-generated content could lead to copyright and other legal disputes, which could undermine the effectiveness of AI and subject us to liabilities and potential reputational harm. Although we believe that we have taken necessary measures according to the applicable laws, we cannot guarantee that we will always meet the regulatory requirements. If we fail to meet legal and regulatory requirements, we may be subject to penalties.

Our business is subject to complex and evolving laws and regulations regarding cybersecurity and data privacy.

We face challenges with respect to the complex and evolving laws and regulations regarding cybersecurity and data privacy. We collect personal data from our users in order to better understand them and their needs, and are subject to cybersecurity and data privacy laws in China and other applicable jurisdictions, including without limitation the PRC Cybersecurity Law, the PRC Data Security Law, and the PRC Personal Information Protection Law, pursuant to which we are required to maintain the confidentiality, integrity, and availability of the information of our users, customers, and suppliers, which is also essential to maintaining their confidence in our services. However, the interpretation and implementation of such laws in China and elsewhere are often subject to uncertainties. Concerns about the collection, use, disclosure, or security of personal information or other privacy-related matters, with or without merit, or failure to comply with the laws and regulations could subject us to penalties, damage our reputation and brand, cause us to lose users, or result in increased operating cost and expenses, any of which could materially and adversely affect our business and results of operations.

In November 2016, the Standing Committee of the National People's Congress promulgated the PRC Cybersecurity Law, which took effect on June 1, 2017 and was later amended on on October 28, 2025, and provides that network operators must meet their cybersecurity obligations and must take technical measures and other necessary measures to protect the safety and stability of their networks. The Cybersecurity Law is still subject to interpretation by the PRC government authorities. Although we only gain access to user information that is necessary for, and relevant to, the services provided, the data we obtain and use may include information that is deemed as "personal information" under the Cybersecurity Law and related data privacy and protection laws and regulations. See "Item 4. Information on the Company—B. Business Overview—Regulations—Regulations Relating to Information Security."

In addition, on June 10, 2021, the Standing Committee of the National People's Congress promulgated the PRC Data Security Law, which took effect on September 1, 2021. The PRC Data Security Law provides for a data security review procedure for the data processing activities that affect or may affect national security. It also imposes data security obligations on persons and entities conducting data processing activities and requires data processors to take necessary measures to protect data security. On August 20, 2021, the Standing Committee of the National People's Congress promulgated the PRC Personal Information Protection Law, which took effect on November 1, 2021. Although it is our policy to only access user information that is necessary for, and relevant to, the services provided and we update our privacy policies and practices in accordance with regulatory developments, we may be required to make further adjustments to our data practices as the PRC Personal Information Protection Law is newly promulgated and the interpretation of many of its specific requirements remain to be clarified by the government authorities or is otherwise subject to uncertainties.

The PRC government authorities also further enhanced the supervision and regulation of cross-border data transmission. On July 7, 2022, the CAC promulgated the Measures for the Security Assessment of Cross-Border Data Transmission, which took effect on September 1, 2022. In accordance with these measures, data processors are be subject to security assessment conducted by the CAC prior to any cross-border data transmission if the transmission involves (i) important data, (ii) personal information transmitted overseas by a critical information infrastructure operator or a data processor that has processed personal data of more than one million persons, (iii) personal information transmitted overseas by a data processor that has already provided personal data of 100,000 persons or sensitive personal data of 10,000 persons overseas since January 1 of the preceding year, or (iv) other circumstances as required by the CAC. In addition, any cross-border data transmission activities conducted in violation of the Measures for the Security Assessment of Cross-Border Data Transmission before the effectiveness of these measures are required to be rectified within six months of the effectiveness date thereof.

On March 22, 2024, the CAC promulgated the Provisions on Facilitating and Regulating Cross-border Data Flow, effective on the same date. The provisions intend to replace the rules set forth in the Measures for the Security Assessment of Cross-Border Data Transmission that are inconsistent with the new provisions. Pursuant to the Provisions on Facilitating and Regulating Cross-border Data Flow, a data processor intending to implement outbound data transfer under the following circumstances shall apply for security assessment to the CAC: (i) a critical information infrastructure operator intending to provide personal information or important data abroad; or (ii) a data processor that is not a critical information infrastructure operator intending to provide important data abroad, or has since January 1st of the current year cumulatively provided personal information (excluding sensitive personal information) of over one million individuals, or sensitive personal information of over 10,000 individuals, abroad. For any data processors other than critical information infrastructure operators who have since January 1st of the current year cumulatively provided personal information (excluding sensitive personal information) of over 100,000 and less than one million individuals, or sensitive personal information of less than 10,000 individuals abroad, should execute a standard contract for outbound transfer of personal information with the recipient abroad or pass the certification for personal information protection. On October 14, 2025, the CAC, together with the SAMR, issued the Measures for Certification of Cross-Border Transfer of Personal Information, which took effect on January 1, 2026, providing further guidance and regulatory requirements on the certification mechanism for protecting personal information in cross-border transfers. Since the regulatory environment and enforcement practices continue to evolve, there are still substantial uncertainties with respect to the interpretation and implementation of these measures in practice and how they may further affect our business operations.

On September 24, 2024, the State Council published the Network Data Security Management Regulations (the "Data Security Regulations"), which became effective on January 1, 2025. The Data Security Regulations provide that data processors conducting the data processing activities that affect or may affect national security shall apply for cybersecurity review in accordance with the relevant laws and regulations. The Data Security Regulations subject network data processors to certain statutory obligations, including but not limited to: (i) network data processors shall, in accordance with the provisions of laws and administrative regulations and the mandatory requirements of national standards, and on the basis of classified protection of cyber security, strengthen the protection of network data security, establish and perfect the system of network data security management, and take technical measures such as encryption, backup, access control and security authentication as well as other necessary measures to protect network data from being falsified, destroyed, divulged or illegally acquired or used, dispose of network data security incidents, prevent illegal and criminal activities aiming at and using network data, and assume primary responsibility for the security of the network data processed by them; and (ii) data processors processing personal information of more than 10 million users shall specify the person in charge of network data security and the management body for network data security. On December 6, 2025, the CAC released the Measures for Network Data Security Risk Assessment (Draft for Comments) for public opinions until January 5, 2026. The draft introduces a tiered assessment framework: data processors handling important data are required to conduct a risk assessment at least annually, with additional ad hoc assessments triggered by material changes affecting data security, while processors of general data are encouraged to conduct assessments at least once every three years.

While we take measures to comply with all applicable cybersecurity and data privacy laws and regulations, we cannot assure you the effectiveness of the measures undertaken by us and our business partners. The activities of third parties, such as merchants, brands, and other business partners are beyond our control. If any of these third parties violate the PRC Cybersecurity Law and related laws and regulations, or fail to fully comply with the service agreements with us, or if any of our employees fails to comply with our control measures and misuses the information, we may be subject to regulatory actions, disputes and litigations. Any actual or perceived failure to comply with all applicable cybersecurity and data privacy laws and regulations, or any actual or perceived failure of our business partners to do so, or any actual or perceived failure of our employees to comply with our internal control measures, may result in legal proceedings or regulatory actions against us, and could damage our reputation, discourage current and potential users and business partners from using our services and subject us to claims, fines, and damages, which could materially and adversely affect our business and results of operations.

New laws or regulations concerning data protection, or the interpretation and implementation of existing data security and privacy protection laws or regulations may be announced, published for public consultations, issued, or promulgated from time to time. For example, on December 28, 2021, several PRC government authorities jointly issued the Cybersecurity Review Measures, which took effect on February 15, 2022. Pursuant to the Cybersecurity Review Measures, critical information infrastructure operators that intend to purchase internet products and services and internet platform operators engaging in data processing activities that affect or may affect national security must be subject to the cybersecurity review. The Cybersecurity Review Measures further stipulate that if an internet platform operator has personal information of over one million users and pursues a foreign listing, it must be subject to the cybersecurity review. Given that the Cybersecurity Review Measures was recently promulgated, there are substantial uncertainties as to its interpretation, application, and enforcement.

Furthermore, the PRC government authorities have taken steps to limit the method and manner that the internet companies may apply when using the algorithms. For instance, the CAC, together with eight other government authorities, jointly issued the Guidelines on Strengthening the Comprehensive Regulation of Algorithms for Internet Information Services on September 17, 2021, which provide that daily monitoring of data use, application scenarios, and effects of algorithms must be carried out by the regulators, and the regulators should conduct security assessments of algorithms. The guidelines also provide that an algorithm filing system should be established, and classified security management of algorithms should be promoted. In addition, on December 31, 2021, the CAC, the PRC Ministry of Industry and Information Technology, or the MIIT, the Ministry of Public Security, and the PRC State Administration for Market Regulation, or the SAMR, promulgated the Administrative Provisions on Internet Information Service Algorithm-Based Recommendation, which took effect on March 1, 2022. This regulation stipulates that algorithm-based recommendation service providers should inform users of their provision of algorithm-based recommendation services in a conspicuous manner, and publicize the basic principles, purpose intentions, and main operating mechanisms of algorithm-based recommendation services in an appropriate manner. Although our current operations are in compliance in material respects with the algorithm-based recommendation rules, we cannot assure you that our content operations will continue to be in compliance with the algorithm-based recommendation rules in all respects. If our content operations are forced to change in a way to ensure full compliance with the algorithm-based recommendation rules, our ability to enhance the quality of content in the Zhihu community may be adversely affected.

The interpretation and application of these PRC cybersecurity and data privacy laws, regulations, and standards are still evolving. It hence remains uncertain whether the future regulatory changes would impose additional compliance requirements on companies like us. If we are not able to comply with the cybersecurity and data privacy requirements in a timely manner, or at all, we may be subject to government enforcement actions and investigations, fines, penalties, suspension of our non-compliant operations, or removal of our app from the application stores, among other penalties, which could materially and adversely affect our business and results of operations. See "Item 4. Information on the Company—B. Business Overview—Regulations—Regulations Relating to Information Security."

Complying with evolving laws and regulations could cause us to incur substantial costs or require us to change our business practices in a manner materially increases our operating cost and expenses or affects our growth momentum that can be adverse to our business. In addition, some foreign countries are considering or have passed legislation implementing data protection requirements or requiring local storage and processing of data or similar requirements that could increase the cost and complexity of delivering our services.

Any compromise of the cybersecurity of our online community could materially and adversely affect our business, operations, and reputation.

Our products and services involve the storage and transmission of users' and other customers' information, and security breaches or vulnerabilities affecting our or our vendors' technology, products, and systems could expose us to a risk of loss of this information, litigation, and potential liability. We experience cyber-attacks of varying degrees from time to time, and we have been able to neutralize attacks without significant impact to our operations in the past. We use third-party technology and systems for a variety of reasons, such as data storage and transmission, cloud services, and other functions. Some of such systems have experienced past security breaches, and, although they did not have a material adverse effect on our operating results, we cannot assure you a similar result in the future. Our security measures may also be breached due to employee error, malfeasance, or otherwise. In addition, outside parties may attempt to fraudulently induce employees, users, or other customers to disclose sensitive information in order to gain access to our data or our users' or other customers' data or accounts, or may otherwise obtain access to such data or accounts. Because the techniques used to obtain unauthorized access, disable, or degrade service or sabotage systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. If an actual or perceived breach of our security occurs, the market perception of the effectiveness of our security measures could be harmed, we could lose users and other customers, and may be exposed to significant legal and financial risks, including legal claims and regulatory fines and penalties. Any of these actions could materially and adversely affect our business, reputation, and results of operations.

We may be subject to regulatory actions or legal proceedings in the ordinary course of our business. If the outcomes of these regulatory actions or legal proceedings are adverse to us, it could materially and adversely affect our business, financial condition, and results of operations.

We may be subject to regulatory actions, litigation, disputes, or claims of various types brought by regulatory authorities or our competitors, users, content creators, employees, or other third parties against us in the ordinary course of our business. Such regulatory actions, disputes, allegations, complaints, or legal proceedings may damage our reputation, evolve into litigations, or otherwise materially and adversely affect our reputation and business. For example, as a UGC-based online content community, we may not be able to identify and remove all illegal or inappropriate content in response to user or any third-party complaints on a timely basis. As such, we have been, and expect to continue to be, involved in disputes or legal proceedings arising out of defamation, invasion of privacy, or other infringement claims. We may become subject to additional types of legal or regulatory proceedings as our business grows and the variety of our services expands. Litigation is expensive, may subject us to the risk of significant damages, requires significant managerial resources and attention, and could materially and adversely affect our business, financial condition, and results of operations. The outcomes of actions we institute may not be successful or favorable to us. Lawsuits against us, whether meritorious or not, may also generate negative publicity that significantly harms our reputation, which may adversely affect our user base.

Advertisements displayed in the Zhihu community may subject us to penalties and other administrative actions.

We monitor the advertisements displayed in the Zhihu community to ensure that they comply with applicable laws and regulations. In addition, where advertisers are required to obtain special government approvals for specific types of advertisements prior to delivering such advertisements on the internet, such as advertisements relating to medical care, pharmaceuticals, medical instruments, agrochemicals, and veterinary pharmaceuticals, we take steps to check or verify that the advertisers have fulfilled the requisite government requirements. Non- compliance with these laws and regulations may subject us to penalties, including imposition of fines, confiscation of our marketing services income, order to cease dissemination of the advertisements, and order to publish an announcement correcting the misleading information. Under the circumstances of any serious violation by us, PRC government authorities may force us to terminate all or part of our marketing services or revoke our licenses, and we and responsible persons may incur criminal liability.

We cannot assure you that all content contained in the advertisements displayed in the Zhihu community complies with applicable advertising laws and regulations, especially given the uncertainty in the interpretation of certain PRC laws and regulations. The PRC government may, from time to time, promulgate new advertising laws and regulations in the future to impose further requirements on our marketing services relating to specific industries, such as medical care, pharmaceuticals, health care, and other similar businesses. If we are found to be in violation of applicable PRC advertising laws and regulations, we may be subject to penalties and our reputation may be harmed, which may materially and adversely affect our business, financial condition, results of operations, and prospects.

We depend on service providers to provide services that are critical to our business, which exposes us to various risks that may materially and adversely affect our reputation, business, financial condition, and results of operations.

We currently use a large number of third-party service providers to provide services that are critical to our businesses. We have engaged third-party service providers to provide online payment, content distribution, data support, and other services. If any of these service providers breaches the obligations under the contractual arrangements to provide such service to us, or refuses to renew these service agreements on terms acceptable to us, we may not be able to find a suitable alternative provider for the service. Similarly, any failure of or significant quality deterioration in such service provider's service platform or system could materially and adversely affect our user perception and may also result in reduced user visits or cancelation of premium content purchases. If any such risks were to materialize, our reputation, business, financial condition, and results of operations could be materially and adversely affected.

Any significant disruption to our technology infrastructure or our failure to maintain the satisfactory performance, security, and integrity of our technology infrastructure would adversely affect user experience and harm our reputation.

Our ability to provide users with superior experience depends on the continuous and reliable operation of our technology infrastructure, including our IT systems and cloud infrastructure, the failure of which may significantly impair our user experience and decrease the overall attractiveness of our community to both users and advertisers. Disruptions, failures, or unscheduled service interruptions could hurt our reputation and cause our users and marketing services clients to choose our competitors' platforms. Our IT systems are vulnerable to damage or interruption as a result of fires, floods, earthquakes, power losses, telecommunications failures, undetected errors in software, computer viruses, hacking, and other attempts to harm our systems. These interruptions may be due to unforeseen events that are beyond our control or the control of our third-party service providers. We have experienced general intermittent interruptions in the past, and may continue to experience similar interruptions in the future despite our continuous efforts to improve our IT systems. Since we host our servers at third-party internet data centers, any natural disaster or unexpected closure of internet data centers operated by third-party providers may result in lengthy service interruptions.

If we experience frequent or persistent service disruptions, whether caused by failures of our own systems or those of third-party service providers, the experience of our users and merchants and brands with us may be negatively affected, which in turn, may materially and adversely affect our reputation. We cannot assure you that we will be successful in minimizing the frequency or duration of service interruptions. As our user base further grows and our users generate more content in our community, including videos which are larger in size, we may be required to expand and adapt our technology infrastructure to reliably store, process, monitor, and distribute the content, the failure of which could also adversely affect our user experience.

Non-compliance on the part of our employees, business partners, or other third parties involved in our business could adversely affect our business.

Our compliance controls, policies, and procedures may not protect us from acts of our employees, business partners, or other third-parties that violate the laws or regulations of the jurisdictions in which we operate, which may adversely affect our business. In addition, our business partners may be subject to regulatory penalties or punishments because of their regulatory compliance failures, which may, directly or indirectly, disrupt our business. We identify irregularities or non-compliance in the business practices of any parties with whom we pursue existing or future cooperation and we cannot assure you that any of these irregularities will be corrected in a prompt and proper manner. The legal liabilities and regulatory actions on our business partners or other third parties involved in our business may affect our business activities and reputation and in turn, our results of operations.

If content in our online community is found to be objectionable or in violation of any PRC laws or regulations, we may be subject to administrative actions or negative publicity.

Content in our community may draw social attention, which may cause controversies. Moreover, the PRC government and regulatory authorities have adopted regulations governing illegal content and information over the internet. Under these regulations, internet content providers are prohibited from posting or displaying over the internet content that, among other things, violates PRC laws and regulations, impairs the national dignity of China or the public interest, or is obscene, superstitious, fraudulent, violent, or defamatory. Internet content providers are also prohibited from displaying content that may be deemed by the government authorities as socially destabilizing or leaking state secrets of China. Furthermore, the PRC government and regulatory authorities strengthen the regulation on internet content from time to time, which has created uncertainties in the compliance of our business operations. Any failure to comply with laws and regulations may cause negative publicity and subject us to fines or other penalties, which could materially and adversely affect our business, reputation, and results of operations. We have been fined and subject to other penalties imposed by the authorities, including official reprimands, suspension of content dissemination, fines, and removal or suspension of our apps from mobile app distribution channels, due to illegal content in our community. For example, in March 2018, per order by Beijing Cybersecurity Administration, our Zhihu app was temporarily removed from Apple's and Android's app stores for seven days due to dissemination of inappropriate information and mismanagement of the community. In addition, the PRC regulatory authorities may conduct supervisory interviews with internet content providers, including us, regarding content deemed to be inappropriate or objectionable. We have been subject to, and expect to continue to be subject to, supervisory interviews from time to time, which may cause negative publicity and harm our reputation. For more information on the laws and regulations, see "Item 4. Information on the Company—B. Business Overview—Regulations—Regulations Relating to Internet Audio-Visual Program Services," and "Item 4. Information on the Company—B. Business Overview—Regulations—Regulations Relating to Information Security."

We cannot assure you that we can identify all objectionable or illicit content or timely remove such content due to the large amount of content uploaded by our users every day. Failure to identify and prevent illegal or inappropriate content from being uploaded to our community could, from time to time, subject us to negative publicity or regulatory challenges and actions, such as official reprimands, imposition of fines, limiting the dissemination of content, and suspension or removal from app distribution channels.

Laws, regulations, and rules, government or judicial interpretations, and implementations may change in a manner that could render our current efforts insufficient. If government actions or penalties are brought or pending against us, or if there is publicity that government actions or penalties have been brought or otherwise are pending against us, our reputation and brand image could be harmed, we may lose users and business partners, and our revenue and results of operation may be materially and adversely affected.

We may be subject to risks associated with strategic acquisitions.

When appropriate opportunities arise, we may strategically acquire additional businesses or assets that are complementary to our existing business. The acquisitions and the subsequent integration of new businesses and assets into our own require significant attention from our management and could result in a diversion of resources from our existing business, which in turn could materially and adversely affect our operations. Acquired assets or businesses may not generate the financial results or realize the synergies as we expect. For example, we may not realize the intended synergies following our acquisitions of related businesses in vocational training space in enriching the content supply for our operations if we fail to effectively integrate their businesses.

In addition, we may not be able to effectively identify appropriate businesses for strategic acquisitions, and the costs of identifying and consummating acquisitions may be significant. Acquisitions could result in the use of substantial amount of cash, potentially dilutive issuances of equity securities, the recognition of goodwill in connection with acquisitions, which may lead to significant impairment charges, amortization expenses for other intangible assets, and exposure to potential unknown liabilities of the acquired business. Our acquisitions involved and may continue to involve performance-based purchase price adjustments, which may result in an increase in the cash or equity-based consideration. We may need approvals and licenses from applicable government authorities for the acquisitions and to comply with any applicable PRC laws and regulations, which could result in increasing delay and costs and may derail our business strategy if we fail to do so. Any failure in relation to the potential strategic acquisitions, or other potential strategic alliances we may enter with various parties from time to time, may materially and adversely affect our business, financial condition, and results of operations.

We work with certain channel partners, which mainly include partners for pre-installations on mobile devices and application marketplaces, for our user growth. If any of our major channel partners becomes less effective or terminates collaboration with us, our user growth, financial condition, results of operations, and prospects could be materially and adversely affected.

We work with certain channel partners for app pre-installations of on mobile devices to support our user growth. Currently, all pre-installations of the Zhihu app are made on Android devices, representing an insignificant portion of the Zhihu app installations on Android devices. Due to the intense competition, these channel partners may raise their charges on us to a point where it becomes cost inefficient for us to increase user growth through them, or they may decide to discontinue their collaboration with us. In addition, if these channel partners raise their charges on us, our margins could be adversely affected. The collaboration also highly depends on the total amount of smartphone shipment and sales of these channel partners, which may fluctuate or slow down compared with prior years. The growth of our user base is impacted by the pre-installations of the Zhihu app on mobile devices. A continued slowdown of new smartphone market in China may adversely affect our user growth.

In addition, we work with application marketplaces, such as Apple's app store and various app stores on Android devices, to drive downloads of the Zhihu app. Currently, a majority of the downloads of the Zhihu app are from the app stores on Android devices. As such, the promotion, distribution, and operation of the Zhihu app are subject to the standard terms and policies for application developers of these application marketplaces, which are subject to the interpretation of, and frequent changes by, these application marketplaces. If these third-party application marketplaces change their terms and conditions in a manner that is detrimental to us, or refuse to distribute the Zhihu app, or if any other major channel with which we seek collaboration becomes less popular or effective, or refuses to collaborate with us in the future on commercially favorable terms, our user growth, financial condition, results of operations, and prospects may be materially and adversely affected.

Many of our products and services utilize open-source software, which may pose particular risks to our proprietary software, products and services in a manner that negatively affects our business.

We use open source software in our products and services and will continue to use open source software in the future. There is a risk that open source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to provide or distribute our products or services. Additionally, we may face claims from third parties claiming ownership of, or demanding release of, the open source software or derivative works that we developed using such software. These claims could result in litigation and could require us to make our software source code freely available, purchase a costly license or cease offering the implicated products or services unless and until we can re-engineer them to avoid infringement. This re-engineering process could require significant additional research and development resources, and we may not be able to complete it successfully.

Our success depends on the efforts of our key employees, including our senior management members and other technology talents. If we fail to hire, retain, and motivate our key employees, our business may suffer.

We depend on the continued contributions of our senior management and other key employees, many of whom are difficult to replace. The loss of the services of any of our executive officers or other key employees could harm our business. Competition for qualified talent in China is intense, particularly in the content-related internet and technology industries. Our future success depends on our ability to attract a large number of qualified employees and retain existing key employees. If we are unable to do so, our business and growth may be materially and adversely affected and the trading prices of our Class A ordinary shares and the ADSs could suffer. Our need to significantly increase the number of our qualified employees and retain key employees may cause us to materially increase compensation-related costs, including stock-based compensation.

We have granted, and may continue to grant, options and other types of awards under our share incentive plan, which may result in increased share-based compensation expenses.

We adopted an equity incentive plan in 2012 and a share incentive plan in 2022. The equity incentive plan adopted in 2012 expired in 2022. For the years ended December 31, 2023, 2024 and 2025, we recorded RMB164.7 million, RMB59.3 million and RMB87.3 million (US$12.5 million), respectively, in share-based compensation expenses. Competition for highly skilled personnel is often intense and we may incur significant costs or may not be successful in attracting, integrating, or retaining qualified personnel to fulfill our current or future needs. We believe the granting of share-based awards is of significant importance to our ability to attract and retain key personnel and employees, and we will continue to grant share-based awards in the future. As a result, our expenses associated with share-based compensation may increase, which may have an adverse effect on our results of operations.

Furthermore, perspective candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. Thus, our ability to attract or retain highly skilled employees may be adversely affected by declines in the perceived value of our equity or equity awards. Furthermore, there are no assurances that the number of shares reserved for issuance under our share incentive plan will be sufficient to grant equity awards adequate to recruit new employees and to compensate existing employees

We are subject to risks associated with cash management activities.

We invest our cash reserved for future deployment in wealth management products for cash management purposes from time to time, which generates investment income. Our investments in wealth management products are associated with various risks. Under PRC law, banks and wealth management agencies are not allowed to contractually promise that the wealth management products that they offer are principal-guaranteed or will yield interest income. In addition, we are subject to risks that any of the banks or wealth management agencies that sell us wealth management products may not perform their contractual obligations, such as in the event of insolvency. As a result, the income generated from and the market value of the wealth management products that we purchase may be adversely affected. The aforementioned risks are subject to market and economic conditions. Government policies affecting wealth management products and our investment policy may also change in ways unfavorable to us. As we may continue to conduct those cash management activities, if any of the above adverse events occur, the products may fail to generate our expected return and we may even incur loss as a result.

We are subject to payment processing risk.

Our subscribing members and business partners pay us using a variety of different online payment methods. We rely on third parties to process such payment. Acceptance and processing of these payment methods are subject to certain rules and regulations and require payment of interchange and other fees. To the extent there are increases in payment processing fees, material changes in the payment ecosystem, such as delays in receiving payments from payment processors and/or changes to rules or regulations concerning payment processing, our revenue, operating expenses and results of operation could be adversely impacted.

We also do not have control over the security measures of our third-party payment service providers, and security breaches of the online payment systems that we use could expose us to litigation and possible liability for failing to secure confidential customer information and could, among other things, damage our reputation and the perceived security of all of the online payment systems that we use. If a well-publicized internet security breach were to occur, users concerned about the security of their online payments may become reluctant to purchase our products and services through payment service providers even if the publicized breach did not involve the payment systems or methods we use. If any of the above were to occur and damage our reputation or the perceived security of the payment systems that we use, we may lose subscribing members as they may be discouraged from purchasing products or services in our community, which may adversely affect our business and results of operations.

We have been, and may continue to be, subject to claims and allegations relating to intellectual property and other causes.

As a leading online content community, it is essential for us to operate our business without infringing or otherwise violating third-party rights, including third-party intellectual property rights. Companies in the internet, technology, and media industries own, and are seeking to obtain, a large number of patents, copyrights, trademarks, know-how, and trade secrets, and they are frequently involved in litigation arising from allegations of infringement, misappropriation, or other violations of intellectual property rights. There may be third-party patents issued or pending that cover significant aspects of our technologies, products, or services, and such third parties may attempt to enforce such rights against us. The content in our community may expose us to claims and allegations relating to intellectual property and other causes. Although we have processes and procedures to screen content that is subject to copyright or other intellectual property right claims, we may not be able to identify, remove, or disable all potentially infringing content that may exist. As a result, third parties may act and file claims against us if they believe that certain Zhihu content violates their copyright or other intellectual property rights.

We are presently involved in and expect to continue to be subject to legal or administrative actions for defamation, negligence, copyright and trademark infringement, unfair competition, breach of service terms, or other purported injuries resulting from the Zhihu content and the nature of our services. Such legal and administrative actions, with or without merits, may be expensive and time-consuming, may result in significant diversion of resources and management attention from our business operations, and may adversely affect our brand and reputation. As of the date of this annual report, we are not subject to any material claims or allegations relating to intellectual property that will have material adverse effect to our business operations.

We may not be able to adequately protect our intellectual property rights, and any failure to protect our intellectual property rights from infringement such as unauthorized use of our intellectual properties by third parties and the expenses incurred in protecting our intellectual property rights could materially and adversely affect our business and competitive position.

We rely on a combination of patent, trademark, copyright, domain name, and trade secret protection laws in China and other jurisdictions, as well as confidentiality procedures and other contractual terms to protect our intellectual property rights and brand. Protection of intellectual property rights in China may not be effective in protecting our rights, and, as a result, we may not be able to adequately protect our intellectual property rights, which could materially and adversely affect our business and competitive position. These violations of intellectual property rights, whether or not successfully defended, may also discourage content creation. In addition, any unauthorized use of our intellectual properties by third parties may adversely affect our business and reputation. In particular, our members may abuse their membership privilege or illegally distribute paid content exclusively available to paid members, which could materially and adversely affect our business. Furthermore, we may have difficulty addressing the threats to our business associated with infringement of our copyrighted content, particularly our premium content available under our Yan Selection membership program. Our content may be potentially subject to unauthorized copying and illegal digital dissemination without any economic return to us. We adopt a variety of measures to mitigate such risks, including by litigation and through technology measures. However, we cannot assure you that such measures will be effective in protecting our intellectual property rights.

While we typically require our employees, consultants, and contractors who may be involved in the development of intellectual properties to execute agreements assigning such intellectual property rights to us, we may fail to execute such an agreement with each party who in fact develops intellectual properties that we regard as our own. In addition, such agreements may not be self-executing such that the intellectual property rights subject to such agreements may be assigned to us only with additional assignments being executed, and we may fail to obtain such assignments. Furthermore, such agreements may be breached. Accordingly, we may be forced to act against third parties, or defend claims that they may bring against us relating to the ownership of such intellectual property rights.

Managing or preventing unauthorized use of intellectual properties is difficult and expensive, and we may need to resort to litigation or other legal proceedings to enforce or defend intellectual property rights or to determine the enforceability, scope, and validity of our proprietary rights or those of others. Such litigation or other legal proceedings and an adverse determination in any such litigation or other legal proceedings could result in significant costs and diversion of resources and management attention, which could materially and adversely affect our business, financial condition, and results of operations.

If we fail to implement and maintain an effective system of internal controls over financial reporting, we may be unable to accurately report our results of operations, meet our reporting obligations or prevent fraud, and investor confidence and the market prices of our Class A ordinary shares and the ADSs may be materially and adversely affected.

We are a public company in the United States and are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act of 2002, and the rules and regulations of the New York Stock Exchange. Section 404 of the Sarbanes-Oxley Act of 2002 requires that we include a report from management on our internal control over financial reporting in our annual report on Form 20-F. In addition, as we ceased to be an "emerging growth company" as such term is defined in the JOBS Act, our independent registered public accounting firm must attest to and report on the effectiveness of our internal control over financial reporting.

Our management has concluded that our internal control over financial reporting was effective as of December 31, 2025. See "Item 15. Controls and Procedures—Management's Annual Report on Internal Control over Financial Reporting." In addition, our independent registered public accounting firm has audited the effectiveness of our internal control over financial reporting as of December 31, 2025, as stated in its report which appears on page F-2 of this annual report on Form 20-F.

In the future, our management may conclude that our internal control over financial reporting is not effective. Moreover, even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm, after conducting its own independent testing, may issue a report that is qualified if it is not satisfied with our internal controls or the level at which our controls are documented, designed, operated, or reviewed, or if it interprets the requirements differently from us. In addition, as we have become a public company, our reporting obligations may place a significant strain on our management, operational and financial resources and systems for the foreseeable future. We may be unable to timely complete our evaluation testing and any required remediation.

During the course of documenting and testing our internal control procedures, in order to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, we may identify other or more material weaknesses or deficiencies in our internal control over financial reporting. In addition, if we fail to maintain the adequacy of our internal control over financial reporting, as these standards are modified, supplemented, or amended from time to time, we may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002. Generally speaking, if we fail to achieve and maintain an effective internal control environment, we could suffer material misstatements in our financial statements and fail to meet our reporting obligations, which would likely cause investors to lose confidence in our reported financial information. This could in turn limit our access to capital markets, harm our results of operations, and lead to a decline in the trading prices of our Class A ordinary shares and the ADSs. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential delisting from the stock exchange on which we list, regulatory investigations, and civil or criminal liabilities.

A severe or prolonged downturn in the Chinese or global economy could materially and adversely affect our business, financial condition, and results of operations.

The growth rate of the Chinese economy has gradually slowed in recent years and the trend may continue. The Russia-Ukraine conflict, the Hamas-Israel conflict, and attacks on shipping in the Red Sea have heightened geopolitical tensions across the world. The Russia-Ukraine conflict, the conflict in the Persian Gulf and surrounding areas as far west as Isrel and Lebanon, and the restriction at various times on shipping through the straights of Hormuz and the Red Sea have heightend geopolitical tensions across the world. The impact of regional conflicts has contributed to increases in food and energy prices and thus to inflation more generally. There have also been concerns about the relationship between China and other countries which may potentially have economic effects. In particular, there is significant uncertainty about the future relationship between the United States and China with respect to a wide range of issues including trade policies, treaties, government regulations and tariffs. Economic conditions in China are sensitive to global economic conditions, as well as changes in domestic economic and political policies and the expected or perceived overall economic growth rate in China. Any severe or prolonged slowdown in the global or Chinese economy may materially and adversely affect our business, results of operations and financial condition. In addition, continued turbulence in the international markets may adversely affect our ability to access capital markets to meet liquidity needs.

We face uncertainties associated with real name registration requirements.

In accordance with the Administrative Provisions on Mobile Internet Applications Information Services and Administrative Provisions on Account Names of Internet Users, among other laws and regulations, we impose real name registration requirements for all users in our Zhihu community when they sign up. When registering a Zhihu account, an individual user is required to submit her or his mobile phone number or alternative identification information, and a non-individual user is required to submit information of its business license and basic information of its designated person in charge of the account (including her or his real name, mobile phone number, identification card number, and other relevant identification documents). However, the laws and regulations on real name registration, data privacy, and the internet information services in general are evolving, the interpretation and implementation of which are subject to uncertainties. See “Item 4. Information on the Company—B. Business Overview—Regulations—Regulations Relating to Mobile Internet Applications Information Services” and “Item 4. Information on the Company—B. Business Overview—Regulations—Regulations Relating to Internet Privacy” for more details. Any further rulemaking or intensifying regulations with respect to real name registration may increase our compliance burden and may adversely affect our user growth. In addition, we cannot assure you that all the information provided by our users is or will be accurate and free from fraudulent behaviors, which may adversely affect our compliance with the provisions on real name registration requirements. Furthermore, in light of the evolving industry and technological advancements, we face challenges in developing our capabilities to meet the evolving demand for providing more meaningful identity means for our users while staying in compliance with the regulatory developments on real name registration and user privacy protection. Any failure in compliance may materially and adversely affect our business and prospects.

Our insurance coverage may not be adequate, which could expose us to costs and business disruption.

We do not have any business liability or disruption insurance coverage for our operations in China. Any material or extended business disruption may result in substantial costs and expenses and the diversion of our resources, financial, managerial, or otherwise, which could have an adverse effect on our business, financial condition, results of operations, and prospects.

We face risks relating to natural disasters, health epidemics, and other outbreaks, which could significantly disrupt our operations and materially and adversely affect our business, financial condition, and results of operations.

Our business could be adversely affected by the effects of health epidemics and other outbreaks. In recent years, there have been other breakouts of epidemics in China and globally. Our operations could be disrupted if one of our employees is suspected of having H1N1 flu, avian flu, or another epidemic, since it could require our employees to be quarantined and/or our offices to be disinfected. In addition, our results of operations could be adversely affected to the extent that the outbreak harms the PRC economy in general. The COVID-19 pandemic that first broke out in 2020 had caused us and certain of our business partners to implement series of measures to reduce the negative impact of the COVID-19 pandemic and to protect employees. Starting in December 2022, most of the travel restrictions and quarantine requirements in China were lifted. Although there were surges of COVID-19 infections in various regions in China during that time, the situation has been significantly improved and normalized since January 2023.

We are also vulnerable to natural disasters, extreme weather (including as a result of the global climate change) and other calamities. Although we have servers that are hosted in an offsite location, our backup system does not capture data on a real-time basis and we may be unable to recover certain data in the event of a server failure. We cannot assure you that any backup systems will be adequate to protect us from the effects of fire, floods, typhoons, earthquakes, power loss, telecommunications failures, break-ins, war, riots, terrorist attacks, or similar events. Any of the foregoing events may give rise to server interruptions, breakdowns, system failures, technology platform failures or internet failures, which could cause the loss or corruption of data or malfunctions of software or hardware as well as adversely affect our ability to provide services.

Any future outbreak of contagious diseases, extreme unexpected bad weather or natural disasters (including as a result of the climate change) would adversely affect our offline events. If there is a recurrence of an outbreak of certain contagious diseases or natural disasters, the offline events operated by us may be canceled or delayed. Government advices regarding, or restrictions on, holding offline events, in the event of an outbreak of any contagious disease or occurrence of natural disasters may materially and adversely affect our business and operating results.

The current tensions in international trade and rising geopolitical tensions involving China may adversely impact our business, financial condition, and results of operations.

Our business could be materially and adversely affected by the tensions in international trade such as the one between the United States and China in recent years. Changes to international trade policies could adversely affect the global economic conditions. In addition, geopolitical tensions between the United States and China have escalated due to, among other things, trade disputes, the COVID-19 outbreak, sanctions imposed by the U.S. Department of Treasury, proposed trade restrictions and export control imposed by the U.S. Department of Commerce, and the executive orders issued by the U.S. government that may prohibit transactions with certain selected Chinese companies as well as their products and services.

The United States and various foreign governments have imposed controls, license requirements and restrictions on the import or export of or investments involving certain technologies and products (or voiced the intention to do so). For instance, on August 9, 2023, the Biden administration released an executive order directing the U.S. Department of the Treasury to create an outbound FDI review program that will require reporting on or (in more narrow circumstances) will prohibit investments by U.S. persons involving "covered national security technologies and products." On October 28, 2024, the U.S. Department of the Treasury issued a final rule imposing restrictions on U.S. outbound investment in Chinese companies active in developing certain national security technologies. The final rule took effect on January 2, 2025. The final rule targets investments involving persons and entities associated with "countries of concern," currently limited to China, and it imposes investment prohibition and notification requirements on a wide range of investments in companies engaged in activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems, with persons from countries of concern engaged in these technologies defined as "covered foreign persons." Investments by U.S. persons subject to the final rule, which are defined as "covered transactions," include acquisition of equity or a contingent equity interest, provision of certain debt financing, conversion of contingent equity interest into equity interest, involvement in greenfield or brownfield investment, entrance into a joint venture, and acquisition of a limited partner interest in non-U.S. pooled investment fund. The final rule excludes some investments from the scope of "covered transactions," including those in publicly traded securities listed on a national stock exchange. The final rule may introduce new hurdles and uncertainties for cross-border collaborations, investments, and funding opportunities of China-based companies. As the final rule and its related legislative and regulatory framework are still relatively new, there remains uncertainty regarding their interpretation, potential amendments, and implementation by U.S. government authorities. Given our assessment of the final rule and our company's actual business operations, we currently do not believe Zhihu Inc.would be defined as "covered foreign person" under the final rule, because we do not engage in a "covered activity" (as defined in the final rule) or otherwise meet the definition of "covered foreign person" provided in the final rule. However, there is no assurance that the U.S. Department of the Treasury will take the same view as ours. If we were to be deemed a "covered foreign person," and if U.S. persons engaged in a "covered transaction" that involves the acquisition of our equity interests, such U.S. persons may be prohibited to do so or may need to make a notification, as applicable pursuant to the final rule. In addition, our ability to raise capital or contingent equity capital from U.S. investors may be limited due to the final rule and other similar laws, regulations and policies, given that relevant laws, regulations, and policies continue to evolve and we cannot rule out the possibility of being deemed a covered foreign person in the future due to different views taken by the U.S. Department of Treasury, potential amendments to the final rule or the introduction of similar regulations. In addition, on February 21, 2025, the White House released President Trump's "America First Investment Policy" memorandum, outlining several initiatives to incentivize investment from U.S. allies and partners while restricting investments involving "foreign adversaries" including China. Among other things, the policy aims to expand the industry sectors covered by the U.S. outbound investment regulations and supplement outbound restrictions through the imposition of sanctions. As of the date of this annual report, the proposed changes under the America First Investment Policy are not implemented. In addition, on December 18, 2025, the Comprehensive Outbound Investment National Security Act of 2025, or the COINS Act, was enacted as part of the National Defense Authorization Act for Fiscal Year 2026. The COINS Act largely preserves the core framework of the Outbound Investment Rule while expanding its scope and coverage in certain respects such as expanding covered activities in high-performance computing and supercomputing and hypersonic systems and including more countries of concern. The COINS Act will not become effective until the U.S. Department of the Treasury issues implementing regulations, which must be promulgated through notice-and-comment rulemaking and no later than March 13, 2027. Accordingly, the Treasury may amend, expand or otherwise modify existing outbound investment prohibitions and restrictions pursuant to the COINS Act. If our ability to raise such capital is significantly and negatively affected, it could be detrimental to our business, financial condition and prospects.

The U.S. government has implemented policies restricting international trade and investment, such as tariffs, export controls, economic or trade sanctions, and foreign investment filing and approval requirements. These actions may materially and adversely affect international trade, global financial markets, and the stability of the global economic condition. For example, since early 2025, the United States has implemented significant changes to U.S. trade policy with China, including by imposing additional tariffs on Chinese imports. China has responded by imposing, and proposing to impose additional or higher tariffs on products imported from the United States, amnong other measures. There remains considerable uncertainty regarding future tariff rates and the trajectory of U.S.-Chian trade relations. It also remains uncertain whether increased tariffs and trade tensions will create further disruptions and uncertainties to the international trade and lead to a downturn to the global economy.

We use certain key operating metrics to evaluate the performance of our business, and real or perceived inaccuracies in such metrics may harm our reputation and adversely affect our business.

We use certain key operating metrics, such as MAUs, number of monthly subscribing members, and paying ratio, among others, to evaluate the performance of our business. Our operating metrics may differ from estimates published by third parties or from similarly titled metrics used by other companies due to differences in methodology and assumptions. We calculate these operating metrics using internal company data. There are inherent challenges in measuring such key metrics and internal data, and measurement of such metrics and data may be susceptible to delays and technical errors. For example, for purposes of calculating mobile MAUs, we treat each device as a separate user even though it is possible that there may be circumstances where some users may use more than one mobile devices to access our platform or where multiple users may share one mobile device to access our platform. As such, we are unable to quantify such potential duplication. If we discover material inaccuracies in the operating metrics we use, or if they are perceived to be inaccurate, our reputation may be harmed and the evaluation methods and results of our business may be impaired, which could adversely affect our business. If investors make investment decisions based on the operating metrics we disclose that are inaccurate, we may also face potential lawsuits or disputes.

The fair value measurement of our short-term investments inherently involves a certain degree of uncertainty, and such investments may incur fair value losses.

From time to time, we purchase short-term investments, which mainly include investments in financial instruments with a variable interest rate indexed to performance of underlying assets, mostly held in state-owned or reputable financial institutions in China and reputable international financial institutions outside of China. Our short-term investments amounted to RMB1.8 billion, RMB538.8 million and RMB840.9 million (US$120.3 million) as of December 31, 2023, 2024 and 2025, respectively. The methodologies that we use to assess the fair value of the short-term investments involve a significant degree of management judgment and are inherently uncertain. In addition, although we prudently manage our short-term investments portfolio and their respective term to ensure that they are readily convertible into cash from time to time in the event that there is a need for liquidity, we are exposed to credit risks in relation to our short-term investments, which may adversely affect the net changes in their fair value. We cannot assure you that market conditions will create fair value gains on our short-term investments or we will not incur any fair value losses on our investments in the future. If we incur such fair value losses, our liquidity, financial condition, results of operations, and prospects may be adversely affected.

Risks Relating to Our Corporate Structure

If the PRC government finds that the agreements that establish the structure for operating our business do not comply with PRC laws and regulations, or if these regulations or their interpretations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations.

Foreign ownership of internet-based businesses, such as provision of commercial internet information services, internet culture activities, and internet audio-visual program services, is subject to restrictions under current PRC laws and regulations. For example, foreign investors are not allowed to own more than 50% of the equity interests in a value-added telecommunication enterprise (except for e-commerce, domestic multi-party communications, storage-forwarding, and call centers) in accordance with the Special Administrative Measures (Negative List) for Foreign Investment Access (2024 Edition), or the 2024 Negative List, which were issued on September 6, 2024 by the NDRC and the PRC Ministry of Commerce and became effective on November 1, 2024, and other applicable laws and regulations. In addition, foreign investors are prohibited from investing in enterprises engaging in internet culture activities except for music and providing internet audio-visual program services.

We are an exempted company with limited liability incorporated under the laws of the Cayman Islands. To comply with PRC laws and regulations, we conduct our internet-related business in China through the VIEs incorporated in China. The VIEs are owned by PRC citizens or entities with whom we have contractual arrangements. The contractual arrangements give us effective control over the VIEs and enable us to obtain substantially all of the economic benefits arising from the VIEs as well as consolidate the financial results of the VIEs in our results of operations. Although the structure we have adopted is consistent with longstanding industry practice, and is commonly adopted by comparable companies in China, the PRC government may not agree that these arrangements comply with PRC licensing, registration or other regulatory requirements, with existing policies or with requirements or policies that may be adopted in the future. The VIEs and their subsidiaries hold the licenses, approvals, and key assets that are essential for the operations of certain of our businesses.

In the opinion of Global Law Office, our PRC legal counsel, (i) as of the date of this annual report, the ownership structures of our WFOEs and the VIEs in China do not violate any applicable and explicit PRC law and regulations currently in effect; (ii) subject to the risks as disclosed in "—Risks Relating to Our Corporate Structure" and "Item 4. Information on the Company—C. Organizational Structure—Contractual Arrangements with the VIEs and Their Shareholders," each agreement of the contractual arrangements between our WFOEs, the VIEs, and their equity holders governed by PRC law is valid, binding, and enforceable in accordance with their terms, subject to enforceability to applicable bankruptcy, insolvency, moratorium, reorganization, and similar laws affecting creditors' rights generally, the discretion of the government authorities in exercising their authority in connection with the interpretation and implementation thereof, and the application of the PRC laws and policies thereto, and general equity principles; and (iii) each such agreement does not violate any applicable and explicit PRC law currently in effect. There may be, however, uncertainties regarding the interpretation and application of current or future PRC laws and regulations. The PRC regulatory authorities have broad discretion in determining whether a particular contractual structure violates PRC laws and regulations. Thus, we cannot assure you that the PRC government will not ultimately take a view contrary to the opinion of Global Law Office. If we are found in violation of any PRC laws or regulations or if the contractual arrangements among our WFOEs, the VIEs, and their equity holders are determined as illegal or invalid by any PRC court, arbitral tribunal or regulatory authorities, the governmental authorities would have broad discretion in dealing with such violation, including, without limitation:

- revoke the agreements constituting the contractual arrangements;
- revoke our business and operating licenses;
- require us to discontinue or restrict operations;
- restrict our right to collect revenue;
- restrict or prohibit our use of the proceeds from our offshore offerings to fund our business and operations in China;
- shut down all or part of our websites, apps, or services;
- levy fines on us or confiscate the proceeds that they deem to have been obtained through non-compliant operations;
- require us to restructure the operations in such a way as to compel us to establish a new enterprise, re-apply for the necessary licenses or relocate our businesses, staff, and assets;
- impose additional conditions or requirements with which we may not be able to comply; or
- take other regulatory or enforcement actions that could be harmful to our business.

Consequently, if the PRC government determines that the contractual arrangements constituting part of the VIE structure do not comply with PRC regulations, or if these regulations change or are interpreted differently in the future, our Class A ordinary shares and the ADSs may decline in value or become worthless if we are unable to assert our contractual control rights over the assets of the VIEs. Our holding company in the Cayman Islands, the VIEs, and investors of our company face uncertainty about potential future actions by the PRC government that could affect the enforceability of the contractual arrangements with the VIEs and, consequently, significantly affect the financial performance of the VIEs and our company as a group.

Furthermore, any of the equity interest in the VIEs under the name of any record equity holder of the VIEs may be put under court custody in connection with litigation, arbitration, or other judicial or dispute resolution proceedings against that record holder. We cannot be certain that the equity interest will be disposed of in accordance with the contractual arrangements. In addition, new PRC laws, rules, and regulations may be introduced to impose additional requirements that may impose additional challenges to our corporate structure and contractual arrangements. The occurrence of any of these events or the imposition of any of these penalties may materially and adversely affect our ability to conduct internet-related businesses. In addition, if the imposition of any of these penalties causes us to be unable to direct the activities of the VIEs and their subsidiaries or the right to receive their economic benefits, we would no longer be able to consolidate the VIEs into our financial statements, which could materially and adversely affect our financial condition and results of operations.

In April 2024, Beijing Radio and Television Station, or BRTS, completed its investment of RMB0.2 million in Zhizhe Tianxia to acquire 1% of Zhizhe Tianxia's enlarged registered capital. BRTS is not a party to the contractual arrangements currently in effect among Zhizhe Sihai, Zhizhe Tianxia, and other shareholders of Zhizhe Tianxia. Therefore, although we still enjoy economic benefits and exercise effective control over Zhizhe Tianxia and its subsidiaries, we are unable to mandatorily purchase, or have BRTS pledge, the 1% equity interests in Zhizhe Tianxia in the same manner as agreed under existing contractual arrangements, nor are we granted the authorization of the voting rights of the 1% equity interests. We believe Zhizhe Sihai still controls and is the primary beneficiary of Zhizhe Tianxia for accounting purposes, as it continues to have a controlling financial interest in Zhizhe Tianxia pursuant to ASC 810-10-25-38A after the issuance of such 1% equity interests.

Our contractual arrangements may not be as effective in providing operational control as direct ownership and shareholders of the VIEs may fail to perform their obligations under our contractual arrangements.

Since PRC laws limit foreign equity ownership in certain businesses in China, such as provision of internet information services, internet culture activities, and internet audio-visual program services, we operate such businesses in China through the VIEs, in which we have no ownership interest and rely on a series of contractual arrangements with the VIEs and their respective equity holders to control and operate these businesses. Our revenue and cash flow from our such businesses are attributed to the VIEs. The contractual arrangements may not be as effective as direct ownership in providing us with control over the VIEs. Direct ownership would allow us, for example, to exercise our rights directly or indirectly as a shareholder to effect changes in the boards of directors of the VIEs, which, in turn, could effect changes, subject to any applicable fiduciary obligations at the management level. However, under the contractual arrangements, as a legal matter, if the VIEs or their equity holders fail to perform their respective obligations under the contractual arrangements, we may have to incur substantial costs and expend significant resources to enforce those arrangements and resort to litigation or arbitration and rely on legal remedies under PRC laws. These remedies may include seeking specific performance or injunctive relief and claiming damages, any of which may not be effective. In the event we are unable to enforce these contractual arrangements or we experience significant delays or other obstacles in the process of enforcing these contractual arrangements, we may not be able to exert effective control over the VIEs and may lose control over the assets owned by the VIEs. As a result, we may be unable to consolidate the VIEs in our consolidated financial statements, which could materially and adversely affect our financial condition and results of operations.

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

On March 15, 2019, the National People's Congress approved the Foreign Investment Law, which took effect on January 1, 2020. Along with the Foreign Investment Law, the Implementing Rules of Foreign Investment Law promulgated by the State Council and the Interpretation of the Supreme People's Court on Several Issues Concerning the Application of the Foreign Investment Law promulgated by the Supreme People's Court became effective on January 1, 2020. However, uncertainties still exist in relation to further application and improvement of the Foreign Investment Law and its current implementation and interpretation rules. According to the Foreign Investment Law, "foreign investment" refers to investment activities carried out directly or indirectly by foreign natural persons, enterprises, or other organizations, or "foreign investors," including the following: (i) foreign investors establishing foreign-invested enterprises in China alone or collectively with other investors; (ii) foreign investors acquiring shares, equities, properties, or other similar rights of Chinese domestic enterprises; (iii) foreign investors investing in new projects in China alone or collectively with other investors; and (iv) foreign investors investing through other ways prescribed by laws, regulations, or guidelines of the State Council. The Foreign Investment Law and its current implementation and interpretation rules do not explicitly classify whether variable interest entities that are controlled through contractual arrangements would be deemed as foreign-invested enterprises if they are ultimately "controlled" by foreign investors. However, it has a catch-all provision under the definition of "foreign investment" that includes investments made by foreign investors in China through other means as provided by laws, administrative regulations, or the State Council. Therefore, it still leaves leeway for future laws, administrative regulations, or provisions of the State Council to provide for contractual arrangements as a form of foreign investment. Therefore, there can be no assurance that our control over the VIEs through contractual arrangements will not be deemed as a foreign investment in the future.

The Foreign Investment Law grants national treatment to foreign-invested entities, except for those foreign-invested entities that operate in industries specified as either "restricted" or "prohibited" from foreign investment in a "negative list." The Foreign Investment Law provides that foreign-invested entities operating in "restricted" industries will require market entry clearance and other approvals from applicable PRC government authorities. Pursuant to the 2024 Negative List, the value-added telecommunication services we provide fall within the restricted category. If our control over the VIEs through contractual arrangements is deemed as a foreign investment in the future, and any business of the VIEs is "restricted" or "prohibited" from foreign investment under the "negative list" effective at the time, we may be deemed to be in violation of the Foreign Investment Law, the contractual arrangements that allow us to have control over the VIEs may be deemed as invalid and illegal, and we may be required to unwind such contractual arrangements and/or restructure our business operations, any of which may materially and adversely affect our business operations.

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

We may lose the ability to use, or otherwise benefit from, the licenses, approvals, and assets held by the VIEs, which could, render us unable to conduct some or all of our business operations and constrain our growth.

The VIEs and their subsidiaries hold licenses, approvals, and assets that are necessary for the operation of certain of our businesses, as well as equity interests in a series of our portfolio companies, to which foreign investments are typically restricted or prohibited under applicable PRC law. The contractual arrangements contain terms that specifically obligate the equity holders of the VIEs to ensure the valid existence of the VIEs and restrict the disposition of material assets or any equity interest of the VIEs. However, in the event the equity holders of the VIEs breach the terms of these contractual arrangements and voluntarily liquidate any of the VIEs, or any of the VIEs declares bankruptcy and all or part of its assets become subject to liens or rights of third-party creditors, or are otherwise disposed of without our consent, we may be unable to operate some or all of our businesses or otherwise benefit from the assets held by the VIEs, which could materially and adversely affect our business, financial condition, and results of operations. Furthermore, if any of the VIEs undergoes a voluntary or involuntary liquidation proceeding, its equity holders or unrelated third-party creditors may claim rights to some or all of the assets of the VIEs, thereby hindering our ability to operate our business as well as constrain our growth.

The contractual arrangements with the VIEs may be subject to scrutiny by the tax authorities in China. Any adjustment of related party transaction pricing could lead to additional taxes, and therefore substantially reduce our consolidated profit and the value of your investment.

The tax regime in China is rapidly evolving, and there is significant uncertainty for taxpayers in China as PRC tax laws may be interpreted in different ways. The PRC tax authorities may assert that we or our subsidiaries or the VIEs owe and/or are required to pay additional taxes on previous or future revenue or income. In particular, under applicable PRC laws, rules, and regulations, arrangements and transactions among related parties, such as the contractual arrangements with the VIEs, may be subject to audit or challenge by the PRC tax authorities. If the PRC tax authorities determine that any contractual arrangements were not entered into on an arm's length basis and therefore constitute a favorable transfer pricing, the PRC tax liabilities of the applicable subsidiaries or the VIEs could be increased, which could increase our overall tax liabilities. In addition, the PRC tax authorities may impose late payment interest. Our profit may be materially reduced if our tax liabilities increase.

The equity holders, directors, and executive officers of the VIEs, as well as our employees who execute other strategic initiatives may have potential conflicts of interest with our company.

The PRC laws provide that a director and an executive officer owes a fiduciary duty to the company he or she directs or manages. The directors and executive officers of the VIEs must act in good faith and in the best interests of the VIEs and must not use their respective positions for personal gain. On the other hand, under Cayman Islands law, our directors (i) owe fiduciary duties to our company, including a duty of loyalty, a duty to act honestly, and a duty to act in what they consider in good faith to be in our best interests, (ii) must also exercise their powers only for a proper purpose, and (iii) owe to our company a duty to act with skill and care. We control the VIEs through contractual arrangements, and the business and operations of the VIEs are closely integrated with the business and operations of our subsidiaries. Nonetheless, conflicts of interests for these persons may arise due to dual roles both as directors and executive officers of the VIEs and as directors or employees of our company, and may also arise due to dual roles both as equity holders of the VIEs and as directors or employees of our company.

We cannot assure you that these persons will always act in the best interests of our company should any conflicts of interest arise, or that any conflicts of interest will always be resolved in our favor. We also cannot assure you that these persons will ensure that the VIEs will not breach the existing contractual arrangements. If we cannot resolve any such conflicts of interest or any related disputes, we would have to rely on legal proceedings to resolve these disputes and/or take enforcement action under the contractual arrangements. There is substantial uncertainty as to the outcome of any such legal proceedings. See "—We may lose the ability to use, or otherwise benefit from, the licenses, approvals, and assets held by the VIEs, which could, render us unable to conduct some or all of our business operations and constrain our growth" above.

If we exercise the option to acquire equity ownership of the VIEs, the ownership transfer may subject us to certain limitations and substantial costs.

Pursuant to the 2024 Negative List, foreign investors are not allowed to hold more than 50% of the equity interests in any company providing value-added telecommunications services, including ICP services, with the exception of e-commerce, domestic multi-party communications, storage- forwarding, and call centers businesses. The 2024 Negative List also prohibits foreign investors from investing in internet audio-visual program services and internet culture activities with the exception of music. Even if the PRC laws were revised to allow foreign investors to hold more than 50% of the equity interests in value-added telecommunications enterprises, given the prohibition on foreign investment in internet audio-visual program services and internet cultural activities, we might still be unable to unwind the contractual arrangements to avoid becoming ineligible to operate our value-added telecommunication, internet audio-visual program, and internet culture activities businesses or suspending operations of these businesses. In the event that we become ineligible to operate, or are forced to suspend, these businesses, our business, financial condition, and results of operations could be materially and adversely affected.

Pursuant to the contractual arrangements, we have the exclusive right to purchase all or any part of the equity interests in the VIEs from the respective equity holders for a nominal price, unless the government authorities or PRC laws request otherwise, in which case the purchase price shall be adjusted to a minimum amount that meets the requirements. Subject to applicable laws and regulations, the respective equity holders shall return any amount of purchase price they have received to the respective WFOE. If such a return of purchase price takes place, the competent tax authority may require the WFOE to pay enterprise income tax for ownership transfer income, in which case the amount of tax could be substantial.

Risks Relating to Doing Business in China

Changes in China's economic, political or social conditions, or government policies could materially and adversely affect our business and results of operations.

Substantially all of our operations are conducted in China. Accordingly, our financial condition, results of operations, and prospects are influenced by economic, political, and legal developments in China. While the PRC economy has experienced significant growth over the past decades, there can be no assurance that the growth would be maintained or equitable across sectors. The growth of the Chinese economy may not continue at a rate experienced in the past. Any prolonged slowdown in the Chinese economy may reduce the demand for our services and materially and adversely affect our business and results of operations.

The PRC laws, rules and regulations and their interpretation and enforcement may evolve quickly, which could have a material adverse effect on us.

We conduct our business primarily through our PRC subsidiaries and the VIEs and their subsidiaries in China. Our operations in China are governed by PRC laws and regulations. The legal system in China is a civil law system based on statutes. Unlike common law systems, it is a system in which decided legal cases may be of reference value but have less precedential value. The legal system in China evolves rapidly, and the interpretations of laws, regulations, and rules may contain uncertainties. These uncertainties could limit the legal protections available to us. In addition, we cannot predict the effect of future developments in the PRC legal system, particularly with regard to internet-related industries, including the promulgation of new laws, changes to existing laws or the interpretation or enforcement thereof, or the preemption of local regulations by national laws. Such unpredictability towards our contractual, property (including intellectual property) and procedural rights could adversely affect our business and impede our ability to continue our operations. Furthermore, any litigation may be protracted and result in substantial costs and diversion of resources and management attention.

In addition, new laws and regulations may be enacted from time to time, and PRC laws, rules, and regulations can evolve quickly. Substantial uncertainties exist regarding the interpretation and implementation of current and any future PRC laws and regulations applicable to our businesses. In particular, the PRC government authorities may continue to promulgate new laws, regulations, rules and guidelines governing internet companies with respect to a wide range of issues, such as anti-unfair competition and antitrust, privacy and data protection, intellectual property, and other matters, which may result in additional obligations imposed on us. Compliance with these laws, regulations, rules, guidelines, and implementations may be costly, and any incompliance or associated inquiries, investigations, and other governmental actions may divert significant management time and attention and our financial resources, bring negative publicity, subject us to liabilities or administrative penalties, or materially and adversely affect our business, financial condition, and results of operations.

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

We conduct our business primarily through our PRC subsidiaries and the VIEs and their subsidiaries in China. Our operations in China are governed by PRC laws and regulations. The PRC government has significant oversight over the operation of our business, and it may influence our operations, which could result in a material adverse change in our operation and the value of our Class A ordinary shares and the ADSs.

The PRC government authorities may strengthen oversight over offerings that are conducted overseas and/or foreign investment in overseas-listed China-based issuers like us. Such actions taken by the PRC government authorities may intervene our operations at any time, which are beyond our control. For instance, on July 6, 2021, two PRC government authorities promulgated the Opinions on Lawfully and Strictly Cracking Down Illegal Securities Activities, which specify targets such as strengthening the administration and supervision of overseas-listed China-based companies and clarifying the responsibilities of domestic industry regulatory authorities and other regulatory authorities. However, these opinions leave uncertainties regarding the interpretation and implementation of these opinions. There is no assurance that any new rules or regulations promulgated in the future will impose additional requirements on us. On February 17, 2023, the CSRC released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, or the Overseas Listing Trial Measures, and five supporting guidelines, which took effect on March 31, 2023. Pursuant to the Overseas Listing Trial Measures, a domestic company that seeks to offer or list its securities overseas, directly or indirectly, should fulfill filing procedures with, and report relevant information to, the CSRC. If the domestic company fails to complete the filing procedures, conceals any material fact, or falsifies any major content in its filing documents, the domestic company may be subject to administrative penalties, such as order to rectify, warnings, and fines, and its controlling shareholders, actual controllers, the persons directly in charge, and other directly liable persons may also be subject to administrative penalties, such as warnings and fines. See "Item 4. Information on the Company—B. Business Overview—Regulations—M&A Rules and Overseas Listing."

In a Q&A released on the CSRC's official website, an CSRC official respondent indicated that companies that have been listed overseas are not required to complete the filing procedures immediately, and these listed companies should complete the filing procedures with respect to their future overseas financings. Given the substantial uncertainties regarding the CSRC filing requirements currently, we cannot assure you that we will be able to complete the CSRC filings and fully comply with the new rules on a timely basis with respect to our future overseas security issuances, or at all.

On February 24, 2023, the CSRC, jointly with other government authorities, promulgated the revised Provisions on Strengthening Confidentiality and Archives Management of Overseas Securities Issuance and Listing by Domestic Enterprises, which took effect on March 31, 2023. According to these provisions, domestic companies, whether offering and listing securities overseas directly or indirectly, must strictly abide the applicable laws and regulations when providing or publicly disclosing, either directly or through their overseas listed entities, documents and materials to securities services providers such as securities companies and accounting firms or overseas regulators in the process of their overseas offering and listing. If such documents or materials contain any state secrets or government authorities work secrets, domestic companies must obtain the approval from competent government authorities according to the applicable laws, and file with the secrecy administrative department at the same level with the approving government authority. Furthermore, these provisions also provide that securities companies and securities service providers shall also fulfill the applicable legal procedures when providing overseas regulatory institutions and other relevant institutions and individuals with documents or materials containing any state secrets or government authorities work secrets or other documents or materials that, if divulged, will jeopardize national security or public interest.

In addition, on December 28, 2021, the CAC and several other PRC government authorities jointly issued the Cybersecurity Review Measures, according to which, among others, if an internet platform operator has personal information of over one million users and pursues a foreign listing, it must be subject to the cybersecurity review. The Cybersecurity Review Measures took effect on February 15, 2022.

We cannot assure that any new rules or regulations promulgated in the future will not impose additional requirements on us. If the CSRC, CAC, or other government authorities later promulgate new rules or explanations requiring that we obtain their approvals or complete filing procedures with them for our overseas offerings, we may be unable to obtain such approvals or complete such filing procedures in a timely manner, or at all, and such approvals or filings may be rescinded even if obtained or completed. Any such circumstance could significantly limit or completely hinder our ability to continue to offer securities to investors and cause the value of such securities to significantly decline or be worthless. In addition, implementation of industry-wide regulations directly targeting our operations could cause the value of our securities to significantly decline. Therefore, investors of our company and our business face potential uncertainty from actions taken by the PRC government affecting our business.

If we fail to obtain and maintain the requisite licenses and approvals required under the complex regulatory environment applicable to our businesses in China, or if we are required to take compliance actions in this regard, our business, financial condition, and results of operations may be materially and adversely affected.

The internet and mobile internet industries in China are highly regulated. The VIEs and their subsidiaries are required to obtain and maintain applicable licenses and approvals from different regulatory authorities in order to provide their current services. Under the current PRC regulatory regime, a number of regulatory authorities, including but not limited to the PRC National Radio and Television Administration, the PRC Ministry of Culture and Tourism, the MIIT, the PRC State Council Information Office, and the CAC, jointly regulate all major aspects of the internet industry, including the mobile internet and online content communities. Operators must obtain various government approvals and licenses for applicable businesses.

We have obtained, among others, Value-Added Telecommunication Business Operation Licenses, or ICP Licenses, for the provision of commercial internet information services, Internet Cultural Business Licenses, for commercial internet culture activities, Internet News Information Licenses, Radio and Television Program Production and Operation Licenses, an Internet Medicine Information Services Qualification for non-commercial internet medicine information services, and Publication Operation Licenses through the VIEs and their subsidiaries.

We offer content in various formats, including certain video and live streaming content on our Zhihu app and website operated by Zhizhe Tianxia, and we plan to continue to offer video and live streaming content in our community. As such content offerings are considered as online transmission of audio and video programs, we may be required to obtain a Permit for Transmission of Audio-Visual Programs via Information Network, or an Audio-Visual Permit. Zhizhe Tianxia, the operator of our Zhihu app and website, does not hold the Audio-Visual Permit, but has registered with the National Internet Audio-Visual Platforms Information Registration and Management System instead. Based on our consultation with the National Radio and Television Administration, Zhizhe Tianxia is able to carry on its provision of video and live streaming contents on our Zhihu app and website upon registration with the National Internet Audio-Visual Platforms Information Registration and Management System. However, if the PRC regulatory authorities deem that we are not in compliance with the legal requirements of holding a valid Audio-Visual Permit to cover the video and live streaming content in our community, we may be subject to fines, penalties, and/or orders to cease offering video and live streaming content, shut down website or revoke licenses, which may materially and adversely affect our business, financial condition, and results of operations. In addition, as we are and will continue to further develop and expand our business, we may need to obtain additional qualifications, permits, approvals, or licenses. We may also be required to obtain additional licenses or approvals if the PRC government adopts more stringent policies or regulations for our business. There is no assurance that we will be able to obtain such additional qualifications, permits, approvals, or licenses in a timely manner, or at all.

These licenses are essential to the operation of our business and are generally subject to regular government review or renewal. We cannot assure you that we will be able to maintain our existing licenses or permits necessary for our business operations, update information (such as website, apps, or legal representative) on file, or renew any of them when their current term expires.

In addition, considerable uncertainties exist in relation to the interpretation and implementation of existing and future laws and regulations governing our business activities. We could be found not in compliance with any future laws and regulations or of the laws and regulations currently in effect due to changes in the authorities' interpretation of these laws and regulations. If we fail to complete, obtain, or maintain any of the required licenses or approvals or make the necessary filings, we may be subject to various penalties, such as confiscation of unlawful gains, the imposition of fines, revocation of licenses, and the discontinuation or restriction of our operations. Any such penalties or changes in policies, regulations, or enforcement by government authorities, may disrupt our operations and materially and adversely affect our business, financial condition, and results of operations.

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

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

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

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

On December 16, 2021, the PCAOB issued a report to notify the SEC of its determination that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong, including our auditor. In May 2022, the SEC conclusively listed us as a Commission-Identified Issuer under the HFCAA following the filing of our annual report on Form 20-F for the fiscal year ended December 31, 2021. On December 15, 2022, the PCAOB removed mainland China and Hong Kong from the list of jurisdictions where it is unable to inspect or investigate completely registered public accounting firms. For this reason, we were not identified as a Commission-Identified Issuer under the HFCAA after we filed our annual reports on Form 20-F for the fiscal years ended December 31, 2022, 2023 and 2024 and do not expect to be so identified after we file this annual report.

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

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

Shareholder claims or regulatory investigation that are initiated in or otherwise relevant to jurisdictions outside China are difficult to pursue as a matter of law or practicality in China. For example, in China, there are legal and other requirements for providing information needed for regulatory investigations or litigation initiated outside China. Although the authorities in China may establish a regulatory cooperation mechanism with the securities regulatory authorities of another country or region to implement cross-border supervision and administration, such cooperation with the securities regulatory authorities in the United States or other jurisdictions may not be efficient in the absence of mutual and practical cooperation mechanism. Furthermore, according to Article 177 of the PRC Securities Law, which became effective in March 2020, no overseas securities regulator is allowed to directly conduct investigations or evidence collection activities within the PRC territory, and without the consent by the Chinese securities regulatory authorities and the other competent governmental agencies, no entity or individual may provide documents or materials related to securities business to any foreign party. While detailed interpretation of or implementation rules under the article have yet to be promulgated, the inability for an overseas securities regulator to directly conduct investigations or evidence collection activities within China and the potential obstacles for information provision may further increase difficulties faced by you in protecting your interests. See also "—Risks Relating to Our ADSs and Class A Ordinary Shares—You may face difficulties in protecting your interests, and your ability to protect your rights through Hong Kong or U.S. courts may be limited, because we are incorporated under Cayman Islands law" for risks associated with investing in us as a Cayman Islands company.

We may be classified as a "PRC resident enterprise" for PRC enterprise income tax purposes, which could result in unfavorable tax consequences to us and our shareholders and materially and adversely affect our results of operations and the value of your investment.

Under the PRC Enterprise Income Tax Law, which became effective on January 1, 2008, an enterprise established outside China whose "de facto management body" is located in China is considered a "PRC resident enterprise" and will generally be subject to the uniform 25% enterprise income tax rate, or the EIT rate, on its global income. Pursuant to the implementation rules of the Enterprise Income Tax Law, "de facto management body" is defined as the organization body that effectively exercises full management and control over such aspects as the business operations, personnel, accounting and properties of the enterprise.

On April 22, 2009, the State Taxation Administration released the Notice of the State Taxation Administration Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as People's Republic of China Tax Resident Enterprises on the Basis of De Facto Management Bodies, or STA Circular 82, that sets out the standards and procedures for determining whether the "de facto management body" of an enterprise registered outside of China and controlled by PRC enterprises or PRC enterprise groups is located within China. Further to STA Circular 82, on July 27, 2011, the State Taxation Administration issued the Administrative Measures for Enterprise Income Tax of Chinese-Controlled Offshore Incorporated Resident Enterprises (Trial), or STA Bulletin 45, to provide more guidance on the implementation of STA Circular 82. STA Bulletin 45 was later revised on June 15, 2018. STA Bulletin 45 clarifies certain issues in the areas of resident status determination, post-determination administration and competent tax authorities' procedures.

Under STA Circular 82, a foreign enterprise controlled by a PRC enterprise or PRC enterprise group is considered a PRC resident enterprise if all of the following apply: (i) the senior management and core management departments in charge of daily operations are located mainly within China; (ii) financial and human resources decisions are subject to determination or approval by persons or bodies in China; (iii) major assets, accounting books, company seals, and minutes and files of board and shareholders' meetings are located or kept within China; and (iv) at least half of the enterprise's directors with voting rights or senior management reside within China. STA Bulletin 45 specifies that when provided with a copy of Chinese tax resident determination certificate from a resident Chinese controlled offshore incorporated enterprise, the payer should not withhold 10% income tax when paying the Chinese-sourced dividends, interest, royalties, etc. to the PRC controlled offshore incorporated enterprise.

Although STA Circular 82 and STA Bulletin 45 explicitly provide that the above standards only apply to enterprises which are registered outside of China and controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreign individuals, STA Circular 82 and STA Bulletin 45 may reflect STA's criteria for how the "de facto management body" test should be applied in determining the tax residence of foreign enterprises in general, regardless of whether they are controlled by PRC enterprises or PRC enterprise groups or by PRC or foreign individuals. If the PRC tax authorities determine that we were treated as a PRC resident enterprise for PRC enterprise income tax purposes, the 25% PRC enterprise income tax on our global taxable income could materially and adversely affect our ability to satisfy any cash requirements we may have.

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

A number of PRC laws and regulations have established procedures and requirements that could make merger and acquisition activities in China by foreign investors more time consuming and complex. In addition to the PRC Anti-Monopoly Law, these laws and regulations include the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, which were adopted by six PRC regulatory authorities in 2006 and amended in 2009, and the Rules of the Ministry of Commerce on Implementation of Security Review System of Mergers and Acquisitions of Domestic Enterprises by Foreign Investors promulgated in 2011. These laws and regulations impose requirements in some instances that the Ministry of Commerce be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise. In addition, the Anti-Monopoly Law requires that the anti-monopoly enforcement agency be notified in advance of any concentration of undertaking if certain thresholds are triggered. On February 7, 2021, the Anti-Monopoly Committee of the State Council published the Anti-Monopoly Guidelines for the Internet Platform Economy Sector, which stipulate that any concentration of undertakings involving variable interest entities is subject to anti-monopoly review. Moreover, the Rules of the Ministry of Commerce on Implementation of Security Review System of Mergers and Acquisitions of Domestic Enterprises by Foreign Investors specify that mergers and acquisitions by foreign investors that raise "national defense and security" concerns and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise "national security" concerns are subject to strict review by the Ministry of Commerce, and prohibit any attempt to bypass a security review, including by structuring the transaction through a proxy or contractual control arrangement. On December 19, 2020, the NDRC and the Ministry of Commerce jointly issued the Measures for the Security Review for Foreign Investment, which took effect on January 18, 2021. These measures set forth the provisions concerning the security review mechanism on foreign investment, including, among others, the types of investments subject to review, and the review scopes and procedures. In the future, we may grow our business by acquiring complementary businesses. Complying with requirements of the applicable regulations to complete these transactions could be time consuming, and any required approval processes, including approval from the Ministry of Commerce and other PRC government authorities, may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

If the chops of our PRC subsidiaries, the VIEs, and their subsidiaries are not kept safely, are stolen, or are used by unauthorized persons or for unauthorized purposes, the corporate governance of these entities could be severely and adversely compromised.

Under PRC laws, a company chop or seal serves as the legal representation of the company towards third parties. The company chop of a legally registered company in China shall be registered with the local Public Security Bureau. In addition to this mandatory company chop, companies may have several other chops which can be used for specific purposes. The chops of our PRC subsidiaries, the VIEs, and their subsidiaries are generally held securely by personnel designated or approved by us in accordance with our internal control procedures. To the extent those chops are not kept safe, are stolen, or are used by unauthorized persons or for unauthorized purposes, the corporate governance of these entities could be severely and adversely compromised and those corporate entities may be bound to abide by the terms of any documents so chopped, even if they were chopped by an individual who lacked the requisite power and authority to do so.

The heightened scrutiny over acquisition transactions by PRC tax authorities may have a negative impact on our business operations, our acquisition or restructuring strategy or the value of your investment in us.

On February 3, 2015, the PRC State Taxation Administration issued the Bulletin of the State Taxation Administration on Issues of Enterprise Income Tax on Indirect Transfers of Assets by Non-PRC Resident Enterprises, or STA Bulletin 7, which provides comprehensive guidelines relating to, and also heightens the PRC tax authorities' scrutiny over, indirect transfers by a non-resident enterprise of PRC taxable assets. Under STA Bulletin 7, the PRC tax authorities are entitled to reclassify the nature of an indirect transfer of PRC taxable assets, when a non-resident enterprise transfers PRC taxable assets indirectly by disposing of equity interests in an overseas holding company directly or indirectly holding such PRC taxable assets, by disregarding the existence of such overseas holding company and considering the transaction to be a direct transfer of PRC taxable assets and without any other reasonable commercial purpose. However, STA Bulletin 7 contains certain exemptions, including (i) where a non-resident enterprise derives income from the indirect transfer of PRC taxable assets by acquiring and selling shares of an overseas listed company which holds such PRC taxable assets on a public market; and (ii) where there is an indirect transfer of PRC taxable assets, but if the non-resident enterprise had directly held and disposed of such PRC taxable assets, the income from the transfer would have been exempted from PRC enterprise income tax under an applicable tax treaty or arrangement.

On October 17, 2017, the PRC State Taxation Administration issued the Announcement of the State Taxation Administration on Issues Concerning the Withholding of Enterprise Income Tax at Source on Non-PRC Resident Enterprises, or STA Circular 37, which became effective on December 1, 2017 and abolishes certain provisions in STA Bulletin 7. STA Circular 37 further clarifies the practice and procedure of withholding non-resident enterprise income tax. Pursuant to STA Circular 37, where the party responsible to deduct such income tax did not or was unable to make such deduction, or the non-resident enterprise receiving such income failed to declare and pay the taxes that should have been deducted to the tax authority, both parties may be subject to penalties. The taxable gain is calculated as balance of the total income from such transfer net of the net book value of equity interest.

We may conduct acquisitions involving changes in corporate structures. We cannot assure you that the PRC tax authorities will not, at their discretion, adjust any capital gains and impose tax return filing obligations on us or require us to provide assistance for the investigation of PRC tax authorities with respect thereto. Any PRC tax imposed on a transfer of our Class A ordinary shares or the ADSs or any adjustment of such gains would cause us to incur additional costs and may have a negative impact on the value of your investment in us.

Discontinuation of preferential tax treatments we currently enjoy or other unfavorable changes in tax law could result in additional compliance obligations and costs.

A number of our PRC operating entities enjoy various types of preferential tax treatment pursuant to the prevailing PRC tax laws. Our PRC subsidiaries and VIEs may, if they meet the applicable requirements, qualify for certain preferential tax treatment.

For a qualified "high and new technology enterprise," the applicable enterprise income tax rate is 15%. For a qualified "small low-profit enterprise," the applicable enterprise income tax rate is 20%. Each of Zhizhe Sihai, Beijing Qingzhong Education Technology Co., Ltd. and Shanghai Zhishi, a subsidiary of our company, was certified as a "high and new technology enterprise," and some of our PRC subsidiaries were qualified as "small low-profit enterprises" under the PRC laws and regulations. If these entities fail to maintain their respective qualification under the PRC laws and regulations, their applicable enterprise income tax rates may increase to up to 25%, which could materially and adversely affect our financial condition.

PRC regulations of loans and direct investment by offshore holding companies to PRC entities may delay or prevent us from using the proceeds of our offshore financing to make loans or additional capital contributions to our PRC subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

We may transfer funds to our PRC subsidiaries or finance our PRC subsidiaries by means of shareholders' loans or capital contributions. Any loans to our PRC subsidiaries, which are foreign-invested enterprises, cannot exceed a statutory limit, and shall be filed with the PRC State Administration of Foreign Exchange or its local counterparts. Furthermore, any capital contributions we make to our PRC subsidiaries shall be registered with the SAMR or its local counterparts, and filed with the Ministry of Commerce or its local counterparts.

On March 30, 2015, the PRC State Administration of Foreign Exchange promulgated the Circular of the State Administration of Foreign Exchange on Reforming the Administration Measures on Conversion of Foreign Exchange Registered Capital of Foreign-invested Enterprises, or SAFE Circular 19. SAFE Circular 19 allows foreign invested enterprises in China to use their registered capital settled in Renminbi converted from foreign currencies to make equity investments, but the registered capital of a foreign invested company settled in Renminbi converted from foreign currencies remains not allowed to be used, among other things, for investment in the security markets, or offering entrustment loans, unless otherwise regulated by other laws and regulations. On June 9, 2016, the State Administration of Foreign Exchange further issued the Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts, or SAFE Circular 16, which, among other things, amended certain provisions of Circular 19. According to SAFE Circular 19 and SAFE Circular 16, the flow and use of the Renminbi capital converted from foreign currency-denominated registered capital of a foreign invested company is regulated such that Renminbi capital may not be used for purposes beyond its business scope or to provide loans to non-affiliates unless otherwise permitted under its business scope. On October 23, 2019, the State Administration of Foreign Exchange promulgated the Circular of the State Administration of Foreign Exchange on Further Promoting the Facilitation of Cross-Border Trade and Investment, or SAFE Circular 28, last amended by the Circular on Further Deepening the Reform to Facilitate Cross-border Trade and Investment promulgated by SAFE on December 4, 2023. SAFE Circular 28 removed the restrictions on domestic equity investments by non-investment foreign-invested enterprises with their capital funds, provided that certain conditions are met. If the VIEs require financial support from us or our PRC subsidiaries in the future, and we find it necessary to use foreign currency-denominated capital to provide such financial support, our ability to fund the VIEs' operations will be subject to statutory limits and restrictions, including those described above. The applicable foreign exchange circulars and rules may limit our ability to transfer the net proceeds from our overseas offerings to our PRC subsidiaries and convert the net proceeds into Renminbi, which may adversely affect our business, financial condition, and results of operations.

We may be subject to penalties, including restriction on our ability to inject capital into our PRC subsidiaries and our PRC subsidiaries' ability to distribute profits to us, if our resident shareholders or beneficial owners in China fail to comply with PRC foreign exchange regulations.

The State Administration of Foreign Exchange issued the Notice of the State Administration of Foreign Exchange on Relevant Issues Concerning Foreign Exchange Administration for Domestic Residents to Engage in Overseas Investment, Financing and Round-Trip Investment via Special Purpose Vehicles, or SAFE Circular 37, effective on July 4, 2014. SAFE Circular 37 requires PRC residents, including PRC individuals and institutions, to register with the State Administration of Foreign Exchange or its local branches in connection with their direct establishment or indirect control of an offshore special purpose vehicle, for the purpose of overseas investment and financing, with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests. In addition, such PRC residents must update their foreign exchange registrations with the State Administration of Foreign Exchange or its local branches when the offshore special purpose vehicle in which such residents directly hold the equity interests undergoes material events relating to any change of basic information (including change of such PRC individual shareholder, name and operation term), increases or decreases in investment amount, share transfers or exchanges, or mergers or divisions.

If any shareholder holding interest in an offshore special purpose vehicle, who is a PRC resident as determined by SAFE Circular 37, fails to fulfill the required foreign exchange registration with the local branches of the State Administration of Foreign Exchange, the PRC subsidiaries of that offshore special purpose vehicle may be prohibited from distributing their profits and dividends to their offshore parent company or from carrying out other subsequent cross-border foreign exchange activities, and the offshore special purpose vehicle may be restricted in its ability to contribute additional capital to its PRC subsidiaries. Moreover, failure to comply with the registration with the State Administration of Foreign Exchange described above could result in liability under PRC laws for evasion of applicable foreign exchange restrictions.

On February 13, 2015, the State Administration of Foreign Exchange promulgated a Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment, or SAFE Notice 13, effective on June 1, 2015. In accordance with SAFE Notice 13, entities and individuals are required to apply for foreign exchange registration of foreign direct investment and overseas direct investment, including those required under SAFE Circular 37, with qualified banks, instead of the State Administration of Foreign Exchange or its local branches. The qualified banks, under the supervision of SAFE, directly examine the applications and conduct the registration.

We may not be fully informed of the identities of all our shareholders or beneficial owners who are PRC residents, and therefore, we may not be able to identify all our shareholders or beneficial owners who are PRC residents to ensure their compliance with SAFE Circular 37 or other related rules. In addition, we cannot provide any assurance that all of our shareholders and beneficial owners who are PRC residents will comply with our request to make, obtain or update any applicable registrations or comply with other requirements required by SAFE Circular 37 or other related rules in a timely manner. Even if our shareholders and beneficial owners who are PRC residents comply with such request, we cannot provide any assurance that they will successfully obtain or update any registration required by SAFE Circular 37 or other related rules in a timely manner due to many factors, including those beyond our and their control. If any of our shareholders who is a PRC resident as determined by SAFE Circular 37 fails to fulfill the required foreign exchange registration, they could be subject to fines or legal penalties, our PRC subsidiaries may be prohibited from distributing their profits and dividends to us or from carrying out other subsequent cross-border foreign exchange activities, and we may be restricted in our ability to contribute additional capital to our PRC subsidiaries, which may adversely affect our business.

We principally rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have. Any limitation on the ability of our PRC subsidiaries to make payments to us could materially and adversely affect our ability to conduct our business or financial condition.

We are a holding company, and we principally rely on dividends and other distributions on equity that may be paid by our PRC subsidiaries and remittances from the VIEs, for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to the holders of our ordinary shares and service any debt we may incur. If any of our PRC subsidiaries, the VIEs, or their subsidiaries incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other distributions to us.

Under PRC laws and regulations, wholly foreign-owned enterprises in China, may pay dividends only out of their accumulated after-tax profits as determined in accordance with PRC accounting standards and regulations. In addition, a wholly foreign-owned enterprise is required to set aside at least 10% of its after-tax profits each year, after making up previous years' accumulated losses, if any, to fund certain statutory reserve funds, until the aggregate amount of such a fund reaches 50% of its registered capital. At the discretion of the wholly foreign-owned enterprise, it may allocate a portion of its after-tax profits based on PRC accounting standards to enterprise expansion funds, and staff welfare and bonus funds. These reserve funds and staff welfare and bonus funds are not distributable as cash dividends. Any limitation on the ability of the VIEs to make remittance to our wholly-owned PRC subsidiaries to pay dividends or make other distributions to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business.

Restrictions on the remittance of Renminbi into and out of China and governmental regulations of currency conversion may limit our ability to pay dividends and other obligations, and affect the value of your investment.

The PRC government imposes regulatory measures on the convertibility of Renminbi into foreign currencies and the remittance of currency out of China. We receive substantially all of our revenue in Renminbi. Under our current corporate structure, our income is primarily derived from dividend payments from our PRC subsidiaries. We may convert a portion of our revenue into other currencies to meet our foreign currency obligations, such as payments of dividends declared in respect of our Class A ordinary shares or the ADSs, if any. Shortages in the availability of foreign currency may restrict the ability of our PRC subsidiaries to remit sufficient foreign currency to pay dividends or other payments to us, or otherwise satisfy their foreign currency denominated obligations.

Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments, and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior the approval of the State Administration of Foreign Exchange by complying with certain procedural requirements. However, approval from or registration or filings with competent government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. Pursuant to SAFE Circular 19, a foreign-invested enterprise may convert up to 100% of the foreign currency in its capital account into Renminbi on a discretionary basis according to the actual needs. SAFE Circular 16 provides for an integrated standard for conversion of foreign exchange under capital account items on a discretionary basis, which applies to all enterprises registered in China. In addition, SAFE Circular 16 has narrowed the scope of purposes for which an enterprise must not use the Renminbi funds so converted, which include, among others, (i) payment for expenditure beyond its business scope or otherwise as prohibited by the applicable laws and regulations, (ii) investment in securities or other financial products other than banks' principal-secured products, (iii) provision of loans to non-affiliated enterprises, except where it is expressly permitted in the business scope of the enterprise, and (iv) construction or purchase of non-self-used real properties, except for real estate developers. The PRC government may at its discretion further restrict access to foreign currencies for current account transactions or capital account transactions in the future. If the foreign exchange regulatory system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency needs, we may not be able to pay dividends in foreign currencies to our shareholders. Further, there is no assurance that new regulations will not be promulgated in the future that would have the effect of further restricting the remittance of Renminbi into or out of China.

Fluctuations in exchange rates could result in foreign currency exchange losses.

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

There remains significant international pressure on the PRC government to adopt a more flexible currency policy. Any significant appreciation or depreciation of Renminbi may materially and adversely affect our revenues, earnings and financial position, and the value of, and any dividends payable on, our Class A ordinary shares or the ADSs in foreign currency.

Very limited hedging options are available in China to reduce our exposure to exchange rate fluctuations. The availability and effectiveness of these hedging options may be limited and we may not be able to adequately hedge our exposure or at all. In addition, our currency exchange losses may be magnified by PRC exchange control regulations that restrict our ability to convert Renminbi into foreign currency. As a result, fluctuations in exchange rates may materially and adversely affect your investment.

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

In February 2012, the State Administration of Foreign Exchange promulgated the Notices of the State Administration of Foreign Exchange on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly-Listed Company. Pursuant to these rules, PRC citizens and non-PRC citizens who reside in China for a continuous period of not less than one year participating in any stock incentive plan of an overseas publicly listed company, subject to a few exceptions, are required to register with the State Administration of Foreign Exchange through a domestic qualified agent, which could be the PRC subsidiaries of such overseas-listed company, and complete certain other procedures. In addition, an overseas-entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests. We and our executive officers and other employees who are PRC citizens or who reside in China for a continuous period of not less than one year and who have been granted options are subject to these regulations as our company is an overseas-listed company. Failure to complete registrations with the State Administration of Foreign may subject us or these employees to fines and legal penalties and may also limit our ability to contribute additional capital to our PRC subsidiary and limit our PRC subsidiary's ability to distribute dividends to us. We also face regulatory uncertainties that could restrict our ability to adopt additional incentive plans for our directors, executive officers, and employees under PRC law.

In addition, the PRC State Taxation Administration issued multiple circulars concerning employee share options and restricted shares. Under these circulars, our employees working in China who exercise share options or are granted restricted shares will be subject to PRC individual income tax. Our PRC subsidiaries have obligations to file documents related to employee share options or restricted shares with tax authorities and to withhold individual income taxes of those employees who exercise their share options. If our employees fail to pay or we fail to withhold their income taxes according to the laws and regulations, we may face penalties imposed by the tax authorities or other PRC government authorities. See "Item 4. Information on the Company—B. Business Overview—Regulations—Regulations Relating to Stock Incentive Plans" for further details.

Failure to make adequate contributions to various employee benefit plans as required by PRC regulations may subject us to penalties.

Companies operating in China are required to participate in various government sponsored employee benefit plans, including certain social insurance, housing funds and other welfare-oriented payment obligations, and contribute to the plans in amounts equal to certain percentages of salaries, including bonuses and allowances, of their employees up to a maximum amount specified by the local government from time to time at locations where the businesses are operated. The requirement of employee benefit plans has not been implemented consistently by the local governments in China given the different levels of economic development in different locations. Certain of our PRC operating entities incorporated in various locations in China have not completed necessary registrations, or made adequate contributions to the employee benefit plans, and we have recorded accruals for estimated underpaid amounts in our financial statements. We may be required to make up the contributions for these plans as well as to pay late fees and fines. If we are subject to late fees or fines in relation to the underpaid employee benefits, our financial condition and results of operations may be adversely affected.

Risks Relating to Our ADSs and Class A Ordinary Shares

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

The trading prices of our Class A ordinary shares and the ADSs have been volatile, and could fluctuate widely due to factors beyond our control. This may happen because of broad market and industry factors, including the performance and fluctuation of the market prices of other companies with business operations located mainly in China that have listed their securities in the United States or Hong Kong. In addition to market and industry factors, the price and trading volume for our Class A ordinary shares or the ADSs may be highly volatile for factors specific to our own operations, including the following:

- Actual or anticipated variations in our revenues, earnings, cash flow, and changes or revisions of our expected results;
- fluctuations in operating metrics;
- announcements of new investments, acquisitions, strategic partnerships, or joint ventures by us or our competitors;
- announcements of new products and services and expansions by us or our competitors;
- changes in financial estimates by securities analysts;
- announcements of studies and reports relating to the quality of our product and service offerings or those of our competitors;
- changes in the economic performance or market valuations of our peer companies;
- conditions in the online content community market;
- detrimental negative publicity about us, our competitors, or our industry;
- additions or departures of key personnel;
- release of lockup or other transfer restrictions on our outstanding equity securities or sales of additional equity securities;

- regulatory developments affecting us or our industry;
- any share repurchase program;
- general economic or political conditions in China or elsewhere in the world;
- fluctuations of exchange rates between the RMB and the U.S. dollar; and
- potential litigation or regulatory investigations.

Any of these factors may result in large and sudden changes in the price and volume at which our Class A ordinary shares or the ADSs will trade. Furthermore, the stock market in general experiences price and volume fluctuations that are often unrelated or disproportionate to the operating performance of companies like us. These broad market and industry fluctuations may adversely affect the market price of our Class A ordinary shares or the ADSs. Volatility or a lack of positive performance in the price of our Class A ordinary shares or the ADSs may also adversely affect our ability to retain key employees, most of whom have been granted equity incentives. In December 2023, we received a letter dated December 28, 2023 from the New York Stock Exchange, notifying us that we were below compliance standards set forth in Section 802.01C of the NYSE Listed Company Manual due to the trading price of the ADSs. However, even though we regained compliance with the continued listing standards set forth in Section 802.01C of the NYSE Listed Company Manual or the alternative criteria, there can be no assurance that we will maintain our compliance with any other listing standards of the NYSE Listed Company Manual in the future. We cannot guarantee that the ADSs will be eligible for trading on any such alternative exchanges or markets in the United States. If the New York Stock Exchange determines to delist the ADS, or if we fail to list the ADSs on other stock exchanges or find alternative trading venue for the ADSs, the market liquidity and the price of our Shares and our ability to obtain financing for our operations could be materially and adversely affected. As a result, in such event, holders of our Shares could find it difficult to sell their shares.

In the past, shareholders of public companies have often brought securities class action suits against companies following periods of instability in the market price of their securities. If we were involved in a class action suit, it could divert a significant amount of our management's attention and other resources from our business and operations and require us to incur significant expenses to defend the suit, which could harm our results of operations. Any such class action suit, whether or not successful, could harm our reputation and restrict our ability to raise capital in the future. In addition, if a claim is successfully made against us, we may be required to pay significant damages, which could materially and adversely affect our financial condition and results of operations.

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

Pursuant to our currently effective memorandum and articles of association, our authorized and issued ordinary shares are divided into Class A ordinary shares and Class B ordinary shares. Holders of Class A ordinary shares are entitled to one vote per share, while holders of Class B ordinary shares are entitled to ten votes per share. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof, while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances.

As of March 31, 2026, Mr. Yuan Zhou beneficially owned 21,407,800 Class A ordinary shares and 15,446,778 Class B ordinary shares, representing 43.6% of the aggregate voting power of our total issued and outstanding share capital due to the disparate voting powers associated with our dual-class share structure. As a result of the dual-class share structure and the concentration of ownership, holders of Class B ordinary shares have considerable influence over matters such as decisions regarding mergers and consolidations, election of directors, and other significant corporate actions. Such holders may take actions that are not in the best interest of us or our other shareholders. This concentration of ownership may discourage, delay, or prevent a change in control of our company, which could have the effect of depriving our other shareholders of the opportunity to receive a premium for their shares as part of a sale of our company and may reduce the price of our Class A ordinary shares or the ADSs. This concentrated control will limit your ability to influence corporate matters and could discourage others from pursuing any potential merger, takeover, or other change of control transactions that holders of Class A ordinary shares and ADSs may view as beneficial.

If securities or industry analysts cease to publish research or reports about our business, or if they adversely change their recommendations regarding our Class A ordinary shares or the ADSs, the market price and trading volume for our Class A ordinary shares or the ADSs could decline.

The trading market for our Class A ordinary shares and the ADSs will be influenced by research or reports that industry or securities analysts publish about our business. If one or more analysts who cover us downgrade our Class A ordinary shares or the ADSs, the market price for our Class A ordinary shares or the ADSs would likely decline. If one or more of these analysts cease to cover us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which, in turn, could cause the market price or trading volume for our Class A ordinary shares or the ADSs to decline.

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

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

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

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

We currently do not expect to pay dividends in the foreseeable future and you must rely on price appreciation of our Class A ordinary shares or the ADSs for return on your investment.

We currently intend to retain most, if not all, of our available funds and any future earnings to fund the development and growth of our business. As a result, we do not expect to pay any cash dividends in the foreseeable future. Therefore, you should not rely on an investment in our Class A ordinary shares or the ADSs as a source for any future dividend income.

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

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

Sales of our Class A ordinary shares or the ADSs in the public market, or the perception that these sales could occur, could cause the market prices of our Class A ordinary shares and the ADSs to decline. The Class A ordinary shares held by our existing shareholders may be sold in the public market subject to volume and other restrictions as applicable provided in Rules 144 and 701 under the Securities Act and the applicable lock-up periods.

Certain holders of our Class A ordinary shares may cause us to register under the Securities Act the sale of their shares. Registration of these shares under the Securities Act would result in ADSs representing these Class A ordinary shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of such registration. Sales of these registered shares in the form of ADSs in the public market could cause the prices of our Class A ordinary shares and the ADSs to decline.

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

Holders of ADSs do not have the same rights as our registered shareholders. As a holder of ADSs, you will not have any direct right to attend general meetings of our shareholders or to cast any votes at such meetings. You will only be able to exercise the voting rights attached to the Class A ordinary shares underlying your ADSs indirectly by giving voting instructions to the depositary in accordance with the provisions of the deposit agreement. Where any matter is to be put to a vote at a general meeting, then upon receipt of your voting instructions, the depositary will try, as far as is practicable, to vote the underlying Class A ordinary shares represented by your ADSs in accordance with your instructions. You will not be able to directly exercise your right to vote with respect to the underlying Class A ordinary shares unless you cancel and withdraw the shares and become the registered holder of such shares prior to the record date for the general meeting.

When a general meeting is convened, you may not receive sufficient advance notice of the meeting to withdraw the Class A ordinary shares represented by your ADSs and become the registered holder of such shares to allow you to attend the general meeting and to vote directly with respect to any specific matter or resolution to be considered and voted upon at the general meeting. In addition, under our currently effective memorandum and articles of association, for the purposes of determining those shareholders who are entitled to attend and vote at any general meeting, our directors may close our register of members and/or fix in advance a record date for such meeting, and such closure of our register of members or the setting of such a record date may prevent you from withdrawing the underlying Class A ordinary shares represented by your ADSs and from becoming the registered holder of such shares prior to the record date, so that you would not be able to attend the general meeting or to vote directly. Where any matter is to be put to a vote at a general meeting, upon our instruction the depositary will notify you of the upcoming vote and will arrange to deliver our voting materials to you. We cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote the underlying Class A ordinary shares represented by your ADSs.

In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for their manner of carrying out your voting instructions. This means that you may not be able to exercise your right to direct how the underlying Class A ordinary shares represented by your ADSs are voted and you may have no legal remedy if the underlying Class A ordinary shares represented by your ADSs are not voted as you requested. In addition, in your capacity as an ADS holder, you will not be able to call a shareholders' meeting.

Further, under the deposit agreement for the ADSs, if you do not vote, the depositary will give us a discretionary proxy to vote the Class A ordinary shares underlying your ADSs at shareholders' meetings unless:

- we have instructed the depositary that we do not wish a discretionary proxy to be given;
- we have informed the depositary that there is substantial opposition as to a matter to be voted on at the meeting;
- a matter to be voted on at the meeting would have a material adverse impact on shareholders; or
- the voting at the meeting is to be made on a show of hands.

The effect of this discretionary proxy is that you cannot prevent our Class A ordinary shares underlying your ADSs from being voted, except under the circumstances described above. This may adversely affect your interests and make it more difficult for shareholders to influence the management of our company. Holders of our Class A ordinary shares are not subject to this discretionary proxy.

You may not receive cash dividends if the depositary decides it is impractical to make them available to you.

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

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

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

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

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

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

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

Shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect corporate records (other than the memorandum and articles of association and any special resolutions passed by such companies, and the registers of mortgages and charges of such companies) or to obtain copies of lists of shareholders of these companies. Under Cayman Islands law, the names of our current directors can be obtained from a search conducted at the Registrar of Companies. Our directors have discretion under our currently effective memorandum and articles of association to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

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

Certain judgments obtained against us by our shareholders may not be enforceable.

We are a Cayman Islands company and substantially all of our assets are located outside of Hong Kong or the United States. Substantially all of our current operations are conducted in China. In addition, many of our current directors and officers are nationals and residents of countries other than Hong Kong or the United States. As a result, it may be difficult or impossible for you to bring an action against us or against these individuals in Hong Kong or the United States in the event that you believe that your rights have been infringed under Hong Kong laws, the U.S. federal securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands and of China may render you unable to enforce a judgment against our assets or the assets of our directors and officers.

Forum selection provisions in our currently effective memorandum and articles of association and our deposit agreement with the depositary bank could limit the ability of holders of our Class A ordinary shares, ADSs, or other securities to obtain a favorable judicial forum for disputes with us, our directors and officers, the depositary bank, and potentially others.

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

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

The deposit agreement governing the ADSs representing our ordinary shares provides that, to the fullest extent permitted by law, ADS holders waive the right to a jury trial of any claim they may have against us or the depositary arising out of or relating to our shares, the ADSs or the deposit agreement, including any claim under the U.S. federal securities laws.

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

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

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

An ADS holder's right to pursue claims against the depositary is limited by the terms of the deposit agreement.

Under the deposit agreement, the United States District Court of the Southern District of New York (or, if the United States District Court of the Southern District of New York lacks subject matter jurisdiction over a particular dispute, the state courts of New York County, New York) will have jurisdiction to hear and determine any suit, action, or proceeding and to settle any dispute between the depositary bank and us that does not involve any other person or party that may arise out of or relate in any way to the deposit agreement, including claims under the Securities Act or the Exchange Act. Holders and beneficial owners of our ADSs, by holding an ADS or an interest therein, understand and irrevocably agree that any legal suit, action, or proceeding against or involving us or the depositary, arising out of or related in any way to the deposit agreement, ADSs, or the transactions contemplated thereby or by virtue of ownership thereof, including without limitation claims under the Securities Act or the Exchange Act, may only be instituted in the United States District Court for the Southern District of New York (or, if the Southern District of New York lacks jurisdiction or such designation of the exclusive forum is, or becomes, invalid, illegal, or unenforceable, in the state courts of New York County, New York), and a holder of our ADSs will have irrevocably waived any objection which such holder may have to the laying of venue of any such proceeding, and irrevocably submitted to the exclusive jurisdiction of such courts in any such suit, action, or proceeding. However, the enforceability of similar federal court choice of forum provisions in other companies' organizational documents has been challenged in legal proceedings in the United States, and it is possible that a court could find this type of provision to be inapplicable or unenforceable. Accepting or consenting to this forum selection provision does not represent you are waiving compliance with the U.S. federal securities laws and the rules and regulations promulgated thereunder. Furthermore, investors cannot waive compliance with the U.S. federal securities laws and rules and regulations promulgated thereunder.

The depositary may, in its sole discretion, require that any dispute or difference arising from the relationship created by the deposit agreement, our shares, the ADSs, or the transactions contemplated thereby be referred to and finally settled by an arbitration conducted under the terms described in the deposit agreement, while to the extent there are specific federal securities law violation aspects to any claims against us and/or the depositary brought by any holder or beneficial owner of ADSs, the federal securities law violation aspects of such claims may, at the option of such holders or beneficial owners, remain in the United States District Court for the Southern District of New York (or, if the United States District Court for the Southern District of New York lacks subject matter jurisdiction over a particular dispute or such designation of the exclusive forum is, or becomes, invalid, illegal, or unenforceable, in the state courts of New York County in New York). We believe that a contractual arbitration provision, especially when excluding matters relating to federal securities law violation, is generally enforceable, including under the laws of the State of New York, which govern the deposit agreement.

As a company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the New York Stock Exchange listing standards.

As a Cayman Islands company listed on the New York Stock Exchange, we are subject to the New York Stock Exchange listing standards, which requires listed companies to have, among other things, a majority of their board members to be independent and independent director oversight of executive compensation and nomination of directors. However, New York Stock Exchange rules permit a foreign private issuer like us to follow the corporate governance practices of its home country. Certain corporate governance practices in the Cayman Islands, which is our home country, may differ significantly from the New York Stock Exchange listing standards.

We are permitted to elect to rely on home country practice to be exempted from the corporate governance requirements. If we choose to follow home country practice in the future, our shareholders may be afforded less protection than they would otherwise enjoy if we complied fully with the New York Stock Exchange listing standards.

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

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

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

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

We believe that we were a passive foreign investment company, or PFIC, for United States federal income tax purposes for the taxable year ended December 31, 2025, which could subject United States investors in our ADSs or Class A ordinary shares to significant adverse United States income tax consequences.

We will be classified as a passive foreign investment company for United States federal income tax purposes for any taxable year if either (a) 75% or more of our gross income for such year consists of certain types of "passive" income or (b) 50% or more of the value of our assets (generally determined on the basis of a quarterly average) during such year is attributable to assets that produce or are held for the production of passive income, or the "asset test." Although the law in this regard is unclear, we intend to treat the VIEs (including their subsidiaries) as being owned by us for United States federal income tax purposes, not only because we exercise effective control over the operation of such entities but also because we are entitled to substantially all of their economic benefits and, as a result, we consolidate their results of operations in our consolidated financial statements.

Based upon the nature and composition of our income and assets, and the market price of the ADSs, we believe that we were a PFIC for United States federal income tax purposes for the taxable year ended December 31, 2025, and we will likely be a PFIC for our current taxable year unless the market price of the ADSs increases and/or we invest a substantial amount of the cash and other passive assets we hold in assets that produce or are held for the production of active income.

If we are a PFIC in any taxable year, a U.S. Holder (as defined in "Item 10. Additional Information—E. Taxation—United States Federal Income Tax Considerations") may incur significantly increased United States income tax on gain recognized on the sale or other disposition of the ADSs or Class A ordinary shares and on the receipt of distributions on the ADSs or Class A ordinary shares to the extent such gain or distribution is treated as an "excess distribution" under the United States federal income tax rules, and such U.S. Holder may be subject to burdensome reporting requirements. Further, if we are a PFIC for any year during which a U.S. Holder holds our ADSs or Class A ordinary shares, we will generally continue to be treated as a PFIC for all succeeding years during which such U.S. Holder holds our ADSs or Class A ordinary shares. For more information see "Item 10. Additional Information—E. Taxation—United States Federal Income Tax Considerations—Passive Foreign Investment Company Considerations" and "Item 10. Additional Information—E. Taxation—United States Federal Income Tax Considerations—Passive Foreign Investment Company Rules."

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

The New York Stock Exchange and the Hong Kong Stock Exchange have different trading hours, trading characteristics (including trading volume and liquidity), trading and listing rules, and investor bases (including different levels of retail and institutional participation). As a result of these differences, the trading prices of our Class A ordinary shares and the ADSs representing them might not be the same, even allowing for currency differences. Fluctuations in the price of the ADSs due to circumstances peculiar to its home capital market could materially and adversely affect the price of the Class A ordinary shares. Because of the different characteristics of the U.S. and Hong Kong equity markets, the historic market prices of the ADSs may not be indicative of the performance of our securities (including the Class A ordinary shares).

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

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

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

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

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

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

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

Item 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

In late 2010, our founder, Mr. Yuan Zhou, founded Zhihu. Between 2010 and 2012, Zhihu was a by-invitation-only Q&A community. Zhihu opened up registration to the general public in 2013 and has since grown into one of the largest comprehensive online content communities in China. We started to offer online advertising in 2016, introduced paid content in 2018, started our paid Yan Selection membership program in the first half of 2019, and we formally launched our content-commerce solutions in early 2020. We have continued to expand our content-centric monetization channels since 2020, including offering vocational training. Starting from the third quarter of 2025, revenues from vocational training have been presented within "other services" in our financial reporting, and prior period figures have been retrospectively reclassified accordingly.

We established Zhihu Technology Limited under the laws of the Cayman Islands as our offshore holding company in May 2011, and later changed its name to Zhihu Inc. in October 2020.

In June 2011, we established Zhihu Technology (HK) Limited, a wholly-owned subsidiary of our Cayman Islands holding company, in Hong Kong as our intermediary holding company. In the same month, we established Zhizhe Tianxia in China. In January 2012, Zhihu Technology (HK) Limited established Zhizhe Sihai, a wholly-owned subsidiary in China. In January 2018, we established Beijing Zhihu Network Technology Co., Ltd., a wholly-owned subsidiary of Zhihu Technology (HK) Limited, in China.

In July 2018, we gained control over Zhizhe Tianxia through Zhizhe Sihai by entering into a series of contractual arrangements with Zhizhe Tianxia and its shareholders. We replaced such contractual arrangements with the contractual arrangements currently in effect in December 2021.

In September 2021, we gained control over Shanghai Pinzhi by entering into a series of contractual arrangements through Shanghai Zhishi with Shanghai Pinzhi and its shareholders. In November 2021, we gained control over Shanghai Biban Network Technology Co., Ltd., or Shanghai Biban, and its subsidiaries by entering into a series of contractual arrangements through Shanghai Paya Information Technology Co., Ltd. with Shanghai Biban and its shareholders; in June 2024, the shareholders of Shanghai Biban transferred all shares in Shanghai Biban to a subsidiary that is wholly owned by Wuhan Xinyue through its subsidiaries, and such contractual arrangements were terminated accordingly.

On March 26, 2021, the ADSs commenced trading on the New York Stock Exchange under the ticker symbol "ZH." Concurrently with our initial public offering, we also entered into private placement transactions with certain investors. Net proceeds from our initial public offering, including the exercise of the underwriters' option to purchase additional ADSs, and the concurrent private placements, after deducting the underwriting discounts and offering expenses, were US$739.4 million.

On April 22, 2022, our Class A ordinary shares commenced trading on the Main Board of the Hong Kong Stock Exchange under the stock code "2390." The selling shareholders received all the net proceeds of that global offering, and we did not receive any net proceeds therefrom.

In July 2023, we gained control over Wuhan Xinyue by entering into a series of contractual arrangements through Wuhan Bofeng with Wuhan Xinyue and its shareholders.

In 2024, we conducted all cash tender offers and repurchased 33,016,016 Class A ordinary shares (including 19,877,118 Class A ordinary shares in the form of 6,625,706 ADSs) on the New York Stock Exchange and the Hong Kong Stock Exchange for an aggregate consideration of HK$300,775,906.

Our principal executive offices are located at 18 Xueqing Road, Haidian District, Beijing 100083, People's Republic of China. Our telephone number at this address is +86 (10) 8271-6603. Our registered office in the Cayman Islands is located at offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands. Our agent for service of process in the United States is Cogency Global Inc., located at 122 East 42nd Street, 18th Floor, New York, NY 10168. Our website is *http://www.zhihu.com*. The information on our websites should not be deemed to be part of this annual report.

B. Business Overview

Overview

Zhihu is a leading online content community where people come to find solutions, make decisions, seek inspiration, and have fun. Our communicty supports discussions ranging from everyday consumer decisions, such as purchasing products or planning travel, to more specialized areas on professional knowledge, technological developments—including artificial intelligence—and academic topics. Our content ecosystem also addresses important life decisions, including education, career development and personal well-being. Through continuous contributions from our content creators, Zhihu has built a large and diverse content library that attracts both users and creators to engage with high-quality, experience-based and expert-driven content.

Since we launched our business in 2010, we have been dedicated to expanding our content and service offerings to meet the diverse needs of our users, content creators, and business partners. Over time, we have formed a content-centric business model, which continues to evolve alongside our platform. We have grown from a Q&A community into a comprehensive online content community in China, supported by a network of creators contributing trustworthy content, practical experience and insights. In 2025, Zhihu had 13.5 million average monthly subscribing members. As of December 31, 2025, Zhihu had 80.3 million cumulative content creators, who had contributed 953.9 million cumulative pieces of content covering over 1,000 verticals. Leveraging our content-centric business model, we have continued to develope and refine our monetization channels. In recent periods, we have also optimized certain revenue streams to improve operational efficiency and align with our strategic priorities. We will continue to evolve our monetization approaches in a disciplined manner.

The Zhihu model is centered around a virtuous cycle seeking to achieve an equilibrium between what our content creators contribute and what our users consume. We continually improve Zhihu's technological foundation and strive for optimal monetization to deliver value to our shareholders and other stakeholders.

Our users and content creators actively interact with each other and share knowledge, experience, and insights, forming a content ecosystem spanning a wide range of verticals and topics across diverse content forms. Our in-depth content and user insights play an essential role in optimizing user experience and maintaining robust community governance, which reinforces our community culture of sincerity, expertise, and respect. Our community culture and trustworthy brand serve to fortify our content ecosystem, which attracts more users and content creators to our community and keeps them engaged. Our advanced technological infrastructure plays a pivotal role in multiple facets of our business, including user comprehension, content quality assessment, promotion of engaging content, user interaction, and community cultivation, as well as the enhancement of our content and service portfolio, all contributing to the establishment of a trustworthy brand of Zhihu. As we continue to enhance user experience and serve our users, content creators, and business partners, we have established diverse and extensive content-centric monetization channels. This self-reinforcing ecosystem has emerged as we have grown and continues to solidify our leadership.

Our Progress in AI

Artificial intelligence represents a long-term opportunity for Zhihu. As generative AI technologies continue to evolve, the availability of authentic, high-quality human-generated content has become increasingly important in improving the reliability and usefulness of AI systems. Over time, we have accumulated a substantial amount of professional discussions contributed by real users across a wide range of domains. Together with our creator community, these content assets position Zhihu as a source of trusted content within the broader AI ecosystem.

In 2025, we continued to advance the integration of artificial intelligence technologies across our community and operations, with a focus on enhancing user experience, supporting content creation and improving operating efficiency. Our approach to AI remains centered on leveraging our content ecosystem and creator network to develop application-layer capabilities aligned with our platform. Zhihu Zhida (知乎直答), our AI-powered search solution, continued to evolve, with increased usage and deeper integration across our platform. We also enhanced our search capabilities with AI features to improve the discovery and accessibility of high-quality content.

We continue to apply artificial intelligence technologies to support content creation, distribution and community governance. AI is increasingly integrated into our platform as a foundational capability connecting content, creators and users, improving the efficiency of content production and distribution and supporting broader content circulation across different scenarios. In addition, we have expanded the use of AI technologies across our internal operations to improve operating efficiency.

Furthermore, we have expanded the application of artificial intelligence technologies to improve operating efficiency across our platform. For example, AI supports content identification and moderation, enhances content recommendation and distribution, and improves efficiency in certain commercialization activities.

As a leading content-centric community, Zhihu serves as a platform for discussions on artificial intelligence and other emerging technologies, supported by contributions from professionals and domain experts. Discussions on AI-related topics cover a wide range of areas, including large language models, intelligent agents, and other related technologies.

Going forward, we will continue to invest in AI-related capabilities at the application layer and deepen their integration across our platform. These efforts are expected to improve operating efficiency across our existing businesses and support the development of additional applications and services over time.

Zhihu Content

Zhihu's content is supported by a network of creators, including professionals and domain experts, who contribute trustworthy, experience-based knowledge, expertise, and insights. Through continuous content operations and improvements in our technology infrastructure, we reinforce Zhihu's positioning as a trusted online content community.

Content Offerings

We are a UGC-based online content community. Content on Zhihu is presented in diversified forms and features such as Q&As, articles, videos, live streaming, and other formats. As of December 31, 2025, our community had 953.9 million cumulative pieces of content. Our comprehensive content covers more than 1,000 verticals. Popular categories include career development, science and technology (including artificial intelligence and related fields), business and finance, consumer dicision-making, lifestyle, and entertainment, among others. Various distribution channels are available for users to effectively and efficiently explore the Zhihu content, such as feeds, searches, trending topics, follow-based recommendations, as well as AI-powered search and content discovery features. These capabilities support a variety of user needs, such as information search, decision-making, learning and interest exploration. We also provide community-based features that enable users to gather around shared interests and areas of expertise, including topic-based communities and column-style content formats, which facilitate deeper engagement and more structured content consumption. As a comprehensive online content community, we continue to enrich and diversify our content offerings, with a fousu on high-quality content across key verticals, supported by contributions from our professional and experienced content creators.

Zhihu's content originated from a Q&A format, which remains a core mechanism for content creation and interaction on our platform. A question may begin trending immediately, attracting a string of answers of different lengths, styles, and perspectives. A question may also remain relevant and accumulate answers over a long period of time, reflecting the timeless value of such content. This format facilitates the accumulation of diverse perspectives over time and supports in-depth discussions across a wide range of topics. Building on this foundation, we have expanded our content formats to include articles, videos and other forms of structured and interactive content, enabling more comprehensive knowledge sharing and user engagement. Our content ecosystem continues to evolve alongside improvements in our technology infrastructure. Building on our existing content understanding capabilities, including our TopicRank algorithm, we have further enhanced our models by combining artificial intelligence technologies with community interactions to dynamically identify and assess content quality, supporting more effective content creation, discovery and distribution.

Aside from the Zhihu content available to all users, we offer a paid Yan Selection membership program where we curate premium content for our subscribing members. Our premium content primarily consists of works contributed by professional or experienced content creators and high-quality works licensed by third parties. As of December 31, 2025, the Yan Selection membership program offers access to millions of premium content items, such as fictional stories and novels, other books and magazines, live and recorded lectures, and audio books, serving a wide range of users who consume content for pleasure or for acquiring knowledge and skills, as well as those searching for credible references. Our continuous expansion of premium content offerings aims to unlock commercialization potential and benefit a broader audience. In May 2023, we officially launched *Yanyan Story*, an app dedicated to boutique short-form stories for subscribing members who prefer a dedicated and immersive reading experience. We are also diligently expanding other premium content offerings to better serve evolving user preferences and to support our long-term content ecosystem.

Content Operations

The Zhihu model is based on a content equilibrium between what our content creators contribute and what our users consume. Our content operations rely on our overall comprehension of content and our understanding of content creators, informed by our TopicRank algorithms. Leveraging our evolving and growing technological capabilities, we strive to maintain and enhance the quality and credibility of our content. We believe that our unique content operating approach, combined with our TopicRank algorithms, deepens our comprehension of the Zhihu content ecosystem and supports various aspects of our business.

We continually iterate our TopicRank algorithms over time to enhance our understanding of content creators and our content ecosystem. As content creators continue to contribute content on Zhihu, our TopicRank algorithms continually assess content through the understanding of content creators based on their contributions and engagements, users' engagements and other related factors. A content creator perceived as an expert by our TopicRank algorithms in a field, whether major or minor, typically carries more weight in that field for future assessments. Content quality is not merely determined by the content's popularity or number of upvotes. Our TopicRank algorithms assess the quality of content based on all relevant information available to Zhihu and regularly update such assessments. These ongoing improvements contribute to effective content creation, distribution and consumption on Zhihu.

Through years of relentless work in enhancing user experience, we have come to understand that users love Zhihu's content for its ability to broaden horizons, provide solutions, and resonate with minds. We continuously refine this deepened understanding through insights from our operations and technology teams. Leveraging technology, we optimize content operation and reassessment. We remain committed to utilizing our technological capabilities to optimize our daily content operations. In particular, we are actively leveraging the latest AI capabilities to evolve our TopicRank algorithms, enabling it to better identify and evaluate our content, to provide our users with a better content consumption experience.

We have years of experience in identifying and promoting worthwhile questions and then using an AI-powered question routing system to invite users to answer questions that correspond to their interests and expertise. We provide tools and support to help content creators produce high-quality content more efficiently and encourage user participation across our platform. Our recommendation and AI-enabled search systems facilitate efficient content distribution, enabling users to discover content based on their interests and needs. Users can access content through personalized feeds, search, trending topics and follow-based updates, as well as through evolving AI-enabled content discovery features.

We also launch various initiatives and campaigns to further enhance the depth, breadth, and quality of our content. We focus on promoting timely content, which covers a wide spectrum of trending events to satisfy the needs of our diverse user base. We have a dedicated content operation team to facilitate content creation and distribution relating to the most notable events from time to time. We also collaborate with various media to ensure our content regularly covers popular events of interest to the general public.

Content Creators

The Zhihu brand has inspired our users to become active contributors and content creators. As a UGC-based online content community, we take pride in the 80.3 million cumulative content creators who have collectively contributed 953.9 million cumulative pieces of content to our community as of December 31, 2025. Our users and content creators complement each other in our content ecosystem, contributing knowledge, expertise and insights across a wide range of topics. We strive to empower them to generate high-quality content and foster content diversity. Through our efforts in discovering, developing, and supporting content creators, we help realize and unlock the potential of each content creator, regardless of their background or field of specialty. This approach enables us to convert more users into content creators.

We are committed to supporting our content creators at different stages of their developement. Our Q&A format serves as a catalyst and entry point for user participation in the Zhihu community by contributing their first piece of content. Our technology including the application of artificial intelligence technologies, helps creators identify relevant topics and connect with appropriate audiences. We also provide tools and support to improve content creation efficiency and enhance the overall experience for creators. In addition, We continue to strengthen our creator ecosystem by supporting professional and high-quality content creation and improving monetization opportunities for creators through multiple channels, including premium content, marketing services and other content-centric monetization initiatives. In April 2023, we upgraded our professional creator identification recognition function to indicate verified professional identity of our content creators. Furthermore, we launched our upgraded Haiyan Plan 6.0 March 2024, which centers around professional users with profile verified, motivating them with greater weights to expand their influence within the community and with highly efficient tools for realizing their monetization potential. We continued to enhance our incentive mechanisms for high-quality content creation in 2025. The total payouts under our core incentive programs increased by approximately 70% year-over-year. The number of creators receiving such incentives also grew by a double-digit percentage, driven by the expansion of incentive coverage across multiple content formats. On average, income per participating creator from these incentive programs increased by over 40% year-over-year. These initiatives reflect our ongoing efforts to support high-quality content creation and to align the long-term development of our content ecosystem with the interests of our creators.

Zhihu Users

We have a large and active user base. Following the streamlining of our user acquisition spending, our monthly active user base remained stable in 2025. At the same time, user engagement metrics improved, with increased time spent, stronger retention among core users and more active participation within the community. Our user base is also young and diverse. As of December 31, 2025, over 73.2% of our active users were under 30, and female users accounted for 59.6% of our total number of active users in December 2025. We aim to urther strengthen our core user base and drive high-quality, sustainable user growth, while continuing to enhance the diversity of our user base.

Our users can leverage a series of features to foster active engagement within the Zhihu community. For example, they can upvote and downvote answers and comments, which play an instrumental role in our community engagements. Users can also identify and invite other users to answer any specific questions in our community. Furthermore, we offer other engagement features including comments, likes, follows, favorites, and shares. These features collectively enhance user participation and contribute to the vibrant and interactive environment of the Zhihu community.

Our users are instrumental in building and maintaining our community culture of sincerity, expertise, and respect. We provide a set of comprehensive community identity and recognition systems that strengthen users' sense of community belonging. Our high-quality content and strong brand have enabled us to effectively expand our user base while maintaining user loyalty.

We have implemented a systematic approach in managing our user growth. Our product, content, community governance, technology, and sales and marketing teams collaborate closely with our experienced management team to align and execute our user growth strategies, ensuring optimized user acquisition. We also strategically deploy multi-dimensional user growth strategies to complement our word-of-mouth referrals, such as brand marketing, targeted campaigns, and pre-installations on mobile devices. We have adopted a more disciplined approach to user growth since 2024, evolving from a broader user acquisition strategy toward a greater focus on user quality and engagement. We focus on strengthening our core user base and driving high-quality, sustainable growth, with an emphasis on organic user acquisition and content quality. We continuously refine our user growth strategy in response to evolving market conditions, while reinforcing Zhihu's positioning as a trusted community for high-quality content and meaningful discussions.

Our Monetization

We have adopted a multi-engine, content-centric monetization approach. We derive revenues from marketing services, paid membership, and other services.

Marketing Services

At the beginning of 2023, we optimized our organizational structure by combining our advertising and content commerce solutions services into a "marketing services" business, offering our merchants and brands more effective and comprehensive marketing solutions. Currently, our marketing services primarily consist of online advertising services and content-commerce solutions.

Our online advertising services help merchants and brands deliver advertisements effectively to their targeted audience. Our customers are generally attracted by our expanding user base, high-quality user profiles, and the content generated in our community. They typically select target audiences based on user profiles and review performance indices instead of specifying target content categories or monitoring other similar metrics. Our online advertising services primarily include launch-screen and feed advertisements. Advertisements can be placed in various areas on our Zhihu app and website in diverse formats. Merchants and brands can place display-based or performance-based advertisements. We charge these advertisements by the cost-per-mille model, the cost-per-click model and the cost-per-day model. The pricing of our advertising is determined based on our internally-set price guidelines that are updated from time to time. The guidelines generally take into consideration factors including, among other things, nature and type of customers, products and services to be marketed, prior relationships, level of comparable demands, and scale of orders, and are implemented based on the marked price for our advertising services.

Our innovative content-commerce solutions provide merchants and brands with online marketing solutions that are seamlessly integrated into our online content community. Unlike traffic-based online marketing, our content-commerce solutions adopt a content-based approach focusing on the content itself and its appeal to targeted audiences to help merchants and brands engage with their target consumers in a more direct, accurate, and effective manner. Content-commerce solutions enable merchants and brands to craft compelling commercial content showcasing their products and services, which can be distributed by and remain relevant to our users over an extended period, thereby amplifying our clients' branding efforts. Typically, the lifespan of such content varies from a few days to a year. Such content is seamlessly embedded into answers, articles, and videos on Zhihu, to effectively capitalize on users' actionable intent. By embedding high-quality commercial content within relevant context, readers are more likely to respond positively, resulting in superior marketing outcomes. In addition, by collaborating with us and utilizing our content-commerce solutions, content creators can assist merchants and brands in brand building, sales enhancement, and other promotional objectives.

We are continuing to enhance the effectiveness of our marketing services based on more accurate distribution to users and enhanced digital experience powered by technology with more diverse marketing service offerings. In 2025, we proactively scaled back certain content commerce solutions services distribution that we considered less effective. At the same time, we actively leveraged AI capabilities to upgrade our existing products and integrate them more closely with content from our content creators and integrated with the broader community. We believe this will not only enhance the long-term monetization potential of our marketing services, but also help maintain a better balance between our commercial and content ecosystems.

Paid Membership

Our Yan Selection membership program provides our subscribing members with access to our premium content library, serving a wide range of users who consume content for pleasure or acquiring knowledge and skills, as well as those who seek credible references. We offer subscription plans for our Yan Selection membership and offer trials to attract more members. Our subscription plans are generally offered for monthly, quarterly, and annual membership services. In comparison to freely accessible content, our premium content available through the paid membership subscription program primarily consists of content generated by content creators on our platform, some of whom are professionals, and user-generated content licensed from third parties on a compensated basis. Specifically, these third parties primarily include professional or experienced content creators who provide commissioned works and copyright holders that grant us licenses for specific copyrighted works. We also offer an on-demand access option to our content library to supplement our Yan Selection membership program. In 2025, we had an average of 13.5 million monthly subscribing members, decreased by 10.0% from 15.0 million in 2024. We expect to expand our paid membership services by continually enhancing the quality of our premium content, including professionally generated and professional user-generated content, while diversifying the spectrum of our premium content library.

Other Monetization Channels

In addition to our Marketing Services and Paid Membership, we generate revenues from a range of complementary monetization channels that extend the value of our content ecosystem.

We offer a portfolio of content-related services, including vocational training and other content-based offerings, which serve as a supplement to our core content ecosystem. Our vocational training services focus on professional qualification exams and skill-based learning, and are closely integrated with our content community. Leveraging our content distribution engine and data capabilities, we are able to identify user interests and deliver relevant course offerings, while using content to stimulate user demand and conversion.

We have also enhanced our course portfolio through a combination of in-house development and selective partnerships, enabling us to enrich content supply and improve operational efficiency. In recent years, we have further streamlined our offerings to focus on categories with stronger user demand and better unit economics.

Our e-commerce operations enable content creators to seamlessly integrate actionable utilities in their content to introduce and recommend products to our users. We primarily collaborate with third-party e-commerce platforms and earn commissions based on pre-agreed percentages of the relevant GMV realized on these platforms. We then share a portion of such commissions with the respective content creators.

Benefiting from our trusted brand and extensive content repository, we continue to explore monetization opportunities across different content domains. In particular, we are advancing the development of our intellectual property, leveraging our high-quality short-form content and creator ecosystem. As content production capabilities continue to improve, including through the application of AI technologies, we are expanding into new content formats such as short dramas and AI-enabled content adaptations. We collaborate with industry partners on content development, production and distribution, and generate revenues through a combination of licensing and participation in downstream distribution.

We believe these initiatives enable us to further unlock the value of our content assets, extend our monetization capabilities beyond traditional formats, and create additional long-term growth opportunities.

Zhihu Community Governance

We maintain community culture through our comprehensive community governance system, comprising our users, protocols, and algorithms. These elements interact with one another to build and enhance our culture.

Our community governance team actively identifies and addresses content that violates our community guidelines, leveraging a combination of proprietary know-how, AI-powered content assessment algorithms, and established systems and protocols honed over years of operations. We analyze content, assess user behaviors and interactions, and ultimately enhance the quality of our content portfolio. As a result, content quality plays a key role in determining how content is surfaced and distributed across our platform. Through years of experience, we have accumulated a set of community guidelines in addition to our community by-laws and terms of service to help regulate all major aspects of our community's operations and activities. At the same time, we continue to improve moderation efficiency and consistency through the application of AI tools.

People within the Zhihu community value our culture and are willing to help safeguard an environment where everyone is encouraged to share their knowledge, experience, and insights, while treating each other with respect. For example, our users can actively participate in community governance by initiating and participating in the dispute review process, and certain users can even become "jurors" on Zhihu to assist with fact-finding in community disputes.

Sales and Marketing

We strategically deploy multi-dimensional marketing strategies to complement our word-of-mouth referrals, such as brand marketing, targeted campaigns, and pre-installations on mobile devices. Currently, a majority of the downloads of the Zhihu app are from the app stores on Android devices, and all pre-installations of the Zhihu app are made on Android devices, which represent an insignificant portion of the Zhihu app installations on Android devices. Since 2024, we have adopted a more disciplined approach to user growth, with a greater focus on user quality, engagement and long-term value. We primarily rely on our content-driven approach and brand recognition to support organic user acquisition.

Our marketing strategy emphasizes strengthening Zhihu's positioning as a trusted community for high-quality content and professional discussions. We focus on promoting content that resonates with users and reflects meaningful topics, rather than relying on large-scale user acquisition campaigns. Our marketing also includes collaborations with celebrities, targeted event campaigns, fans events, and partnerships with major TV stations and online video platforms in China. Leveraging the inherent trustworthiness and recognition associated with the Zhihu brand, our marketing strategy to combine brand building with user growth enables us to benefit from a lower customer acquisition cost and achieve a faster rate of user growth.

Data analytics underlie our marketing strategies. We constantly refine our algorithms for accurate identification of trending topics and user demand to better connect the right users with the right content. We also collaborate with external platforms, including search engines and social media, to expand the reach of our content and enhance brand visibility.

Technological Infrastructure

We develop and deploy our technological infrastructure and data capabilities to support our content ecosystem and our content-centric monetization strategies.

TopicRank forms the technological foundation of Zhihu as a trustworthy online content community from the content creator perspective. Powered by our AI capabilities, TopicRank evaluates and ranks content based on a comprehensive understanding of content quality, creator credibility and user interactions, and is continuously refined through machine learning and our proprietary data insights accumulated over years of operations. Building on TopicRank, we have further developed our Trustworthy Content Model, which integrates AI technologies with community interactions to dynamically identify and promote high-quality content.

We use an intelligent question routing system to accurately invite users to contribute their answers. Based on the analysis of user profiles, behaviors and past contributions, the system identifies users with relevant expertise or interests and distributes questions accordingly, improving response quality and participation efficiency. In addition, we also supply content creators with a suite of AI-enabled productivity tools to support content creation across multiple formats and improve creation efficiency.

We also utilize AI-powered feed recommendation system and a search system to efficiently distribute content of interest to users. Our feed recommendation system creates personalized home feeds when users access the Zhihu app and website based on user profiles and behaviors. The feed recommendation system enables us to optimize user experience and improve the signal-to-noise ratio. We continue to improve both the feed recommendation and search systems through TopicRank and machine learning technology.

Our research and development team are comprised of highly qualified employees, substantially all of whom held Bachelor's or higher degrees as of December 31, 2025. We plan to continue to invest in technology and innovation to enhance user and customer experience.

User Privacy and Data Security

Data security is crucial to our business operations. We have internal rules and policies to govern how we may use and share personal information, as well as protocols, technologies and systems in place to ensure that such information will not be accessed or disclosed improperly. Users must acknowledge the terms and conditions of the user agreement before accessing our products and services, under which they consent to our collection, use, and disclosure of their data in compliance with applicable laws and regulations.

When our users access and interact on Zhihu, we collect certain personal information, including name, email address, mobile number, ID number, behavioral data, and other personal information. We first obtain consent from our users to collect, store, and transmit data for providing services to them on Zhihu. Our data privacy policy agreed to by our users describes our data practices in our operations. We do not use any data for any purpose other than those specified in the data privacy policy agreed to by our users.

We store all the data accumulated in our operations in-house. At present, we do not engage in any data sharing arrangement with external parties, nor do our operations entail any cross-border data transfer. From an internal policy perspective, we limit access to our servers that store our user and internal data on a "need-to-know" basis. Our employees are granted access to the minimum extent that is necessary to fulfill their job responsibilities and are required to go through strict internal approval procedures before operating on such data. We also have entered into confidentiality agreements with employees and organized trainings to strengthen their awareness of data privacy and protection. In addition, we adopt a data encryption system intended to ensure the secured storage and transmission of data and prevent any unauthorized public member or third parties from accessing or using our data in any unauthorized manner. We have implemented internal controls to ensure that user data is protected, and that leakage and loss of such data is avoided. Furthermore, we have appointed a team of dedicated data protection professionals who are responsible for designing and monitoring data security management and emergency response. Data access attempts by any third party are subject to our evaluation and approval procedure based on the necessity and scope of the attempts and appropriate consent from our users. We typically provide third parties with anonymous and desensitized personal information and require such third parties to undertake equivalent data protection measures.

To date, we have not been subject to any material fines or other material penalties due to non-compliance with data privacy and security laws or regulations. Based on the foregoing, Global Law Office, our PRC legal counsel, is of the view that we are in compliance with currently applicable PRC data privacy and cybersecurity laws and regulations that may have a material adverse effect on our business, financial condition, or results of operations in all material respects as of the date of this annual report.

Intellectual Property

We rely on a combination of patent, copyright, trademark, domain name, and trade secret laws and restrictions on disclosure to protect our intellectual property rights. As of March 31, 2026, we had 94 registered patents, 1 pending patent registration applications, 1,336 registered trademarks, 49 pending trademark registration applications, registered copyrights to 148 pieces of software, and 54 domain names (including zhihu.com). As of the date of this annual report, we are not subject to any material claims or allegations relating to intellectual property that will have material adverse effect to our business operations.

Competition

Our competitors mainly include (i) comprehensive online content communities and (ii) other online content communities that specialize in certain content verticals, such as certain lifestyle sharing platforms, live streaming platforms, knowledge sharing platforms, and hobby communities.

China's online content community industry is highly competitive and rapidly changing in response to the evolving market demand and user preferences. We compete to attract, engage, and retain users, content creators, and merchants and brands. Our competitors may compete with us in a variety of ways, including by providing better content, fulfilling evolving user needs, providing content creation utilities, and conducting brand promotions and other marketing activities. Our content creators are generally free to post their content on our competitors' platforms, which may divert user traffic or attention from our platform.

We face competition for advertising and marketing spending of merchants and brands, and we compete against other online content communities that offer services similar to our marketing services. We also compete with internet companies that offer similar services, including online content market players who focus on professionally generated content, search service providers, e-commerce platforms, and social networking platforms. We also compete against traditional media outlets, such as television, radio, and print for advertising and marketing budget.

Our paid membership service offerings compete with platforms that provide similar services to paying users, including other online content communities and online content market players focusing on professionally generated content that offer subscription programs or on-demand access to content library.

In addition to marketing services and paid membership, we also generate revenue through other services, including vocational training and e-commerce services, for which we may face competition for consumer spending with online or offline training players that focus on professional qualification exams and other vocational education and with other online content communities and e-commerce platforms.

We compete with our competitors based on several key factors. These include the community culture, content quality and breadth, and governance mechanism that we have fostered over the past decade, the strength and reputation of our Zhihu brand for trustworthiness, our ability to provide high-quality content and develop new products, services and enhancements to existing products and services to meet evolving user preferences and demands, and our ability to sustainably grow our user base.

As we introduce new products and services and refine existing ones, and as our competitors introduce their new products and services, we may face heightened competition.

Regulations

Regulations on Value-Added Telecommunications Services

Licenses for Value-Added Telecommunications Services

The PRC Telecommunications Regulations, promulgated by the State Council on September 25, 2000 and last amended with immediate effect on February 6, 2016, provide the regulatory framework for telecommunications service providers in China. The PRC Telecommunications Regulations classify telecommunications services into basic telecommunications services and value-added telecommunications services. Providers of value-added telecommunications services are required to obtain a license for value-added telecommunications services. According to the Catalog of Telecommunications Services which is included in the PRC Telecommunications Regulations and was last amended by the MIIT on June 6, 2019, information services provided via public communication network or the internet are value- added telecommunications services.

As a subcategory of the value-added telecommunications services, internet information services are regulated by the Administrative Measures on Internet Information Services, which were promulgated by the State Council on September 25, 2000 and last amended on December 6, 2024 and became effective on January 20, 2025. Internet information services are defined as "services that provide information to online users through the internet." The Administrative Measures on Internet Information Services classifies internet information services into non-commercial internet information services and commercial internet information services. Commercial internet information service providers must obtain an ICP License from appropriate telecommunications authorities. An ICP License has a term of five years and can be renewed within 90 days prior to its expiration, according to the Administrative Measures for Telecommunications Businesses Operating Licensing, which were promulgated by the MIIT on March 1, 2009, were most recently amended on July 3, 2017, and became effective on September 1, 2017.

Restrictions on Foreign Investment in Value-Added Telecommunications Services

The Regulations for the Administration of Foreign-Invested Telecommunications Enterprises, which were promulgated by the State Council on December 11, 2001 and most recently amended on March 29, 2022 and became effective on May 1, 2022, require foreign- invested value-added telecommunications enterprises in China to be established as Sino- foreign joint ventures, and foreign investors shall not acquire more than 50% of the equity interest of such an enterprise. Moreover, the joint ventures must obtain approvals from the MIIT or their authorized local counterparts, before launching the value-added telecommunications business in China.

The 2024 Negative List was promulgated by the NDRC and the Ministry of Commerce jointly on September 6, 2024 and became effective on November 1, 2024, to supersede the Special Administrative Measures (Negative List) for Foreign Investment Access (2021 Version). According to this list, the proportion of foreign investments in an entity engaging in value-added telecommunications business (except for e-commerce, domestic multi-party communications, storage-forwarding, and call centers) shall not exceed 50%.

On April 8, 2024, the MIIT issued Notice No. 107 to launch pilot programs in Beijing, Shanghai, Hainan, and Shenzhen, removing foreign investment limits for value-added telecommunications business like internet data centers (IDC), content delivery networks (CDN), internet Access Services (ISP), online data processing and information release platforms and delivery services (excluding internet news, online publishing, audiovisual, and cultural operations). However, these pilot measures are limited to the specified regions and are not universally applicable.

Pursuant to the Ministry of Information Industry's Notice on Strengthening the Administration of Foreign Investment in and Operation of Value-Added Telecommunications Services, issued by the Ministry of Information Industry, the predecessor of the MIIT, on July 13, 2006, domestic value-added telecommunications enterprises are prohibited from renting, transferring, or selling licenses for value-added telecommunications services to foreign investors in any form. They are also prohibited from providing any resources, premises, facilities, or other assistance in any form to foreign investors for their illegal operation of any value-added telecommunications business in China.

Regulations on Internet Content Services

The PRC government authorities have adopted regulations governing illegal content and information over the internet to strengthen the regulations on internet content from time to time to, among others, maintain the security of internet operations and internet content and manage specific categories of internet content such as internet audio-visual programs. See "—Regulations Relating to Information Security" and "—Regulations Relating to Internet Audio-Visual Program Services."

On June 1, 2017, the CAC promulgated the Provisions on the Administration of Internet News Information Services. Pursuant to these provisions and their implementing rules, if an entity intends to provide internet news information service, including editing, publishing and reposting and the dissemination of internet news through internet websites, mobile apps, forums, blogs, micro-blogs, official accounts, instant message tools, live-streaming and other similar means, it is required to obtain an approval from the State Council News Office and an Internet News Information Service License. Pursuant to these provisions, no internet news information service organizations may take the form of a foreign-invested enterprise, whether a joint venture or a wholly foreign-owned enterprise, and no cooperation between internet news information service organizations and foreign-invested enterprises is allowed prior to the security evaluation by the CAC. On April 16, 2025, the NDRC, SAMR and the Ministry of Commerce issue the Negative List for Market Access (2025 Version), which specifies the prohibition of illegal engagement in news media business, and further emphasizes that non-state capital should not engage in the gathering, editing, broadcasting and distribution of news information.

On August 25, 2017, the CAC promulgated the Administrative Provisions on Internet Comment Threading Services and the Administrative Provisions on Internet Forum and Community Services, both of which took effect on October 1, 2017. As stipulated in the provisions, online comment threading service providers are imposed on strict primary obligations such as verifying the authenticity of registered users' identity information, protecting personal information of users, and developing systems to review comment threading on news information prior to the publication. In addition, the services providers may establish information review, real-time public information check, emergency response, personal information protection, and other information security administration systems. Furthermore, the service providers should not publish information in violation of PRC laws, regulations, and other applicable provisions. The Administrative Provisions on Internet Comment Threading Services was later amended on November 16, 2022 and took effect on December 15, 2022, which further clarify the obligations of service providers of online comment threading. Service providers must regulate and manage users, producers, and operators of official accounts in accordance with user agreements. For users of comment threading services that release unlawful and detrimental content, the service providers must take necessary measures to manage such actions, such as giving warnings, refusing publication of comment, deleting comment, restricting account functions, suspending account updates, closing accounts, and prohibiting re-registration, and save relevant records; for producers and operators of official accounts that fail to fulfil their management obligations resulting in circulation of unlawful and detrimental information on the online comment threading, the service providers must take necessary measures to manage such actions, such as giving warnings, deleting relevant information, suspending the function of comment threading until the permanent closure of online comment threading area, restricting account functions, suspending account updates, closing accounts, and prohibiting re-registration, save relevant records, and promptly report to the cyberspace administration authorities. This amended regulation also defines "comment threading services" as services provided by internet websites, applications, and other online platforms of a public opinion nature or with the capacity to mobilize the public, for users to express text, code, emojis, pictures, audio, video, or other information through methods such as comments, responses, private messages, live streaming comments, likes, and so forth.

On September 7, 2017, the CAC promulgated the Administrative Provisions on the Information Services Provided Through Public Accounts of Internet Users, which were last amended on January 22, 2021 and took effect on February 22, 2021. This regulation requires information service platforms for public accounts to, among others, establish and improve a management system for user registration, information content security, content ecology, data security, personal information protection, intellectual property protection, and credit assessment, and establish a monitoring and evaluation mechanism for public accounts to prevent data falsification on account subscriptions and interaction counts.

On December 15, 2019, the CAC promulgated the Provisions on the Ecological Governance of Internet Information Content, which took effect on March 1, 2020 and specifies the content scopes that are encouraged, prohibited, or prevented from producing, reproducing, and publishing. Internet information content producers are required to take measures to prevent and resist the production of content that, among others, uses exaggerated titles that are inconsistent with the content, may incite racism or discrimination against geographic region, and propagates scandals. Internet information content service platforms must fulfill the main responsibility of content management, establish an ecological governance mechanism of the internet information, and improve system for user registration, account management, information publishing review, and emergency response. Internet information content service users, internet information content producers, and internet information content service platforms cannot, through manual or technical means, conduct acts that destroy the internet ecosystem.

On June 27, 2022, the CAC promulgated the Administrative Provisions on the Account Information of Internet Users, which took effect on August 1, 2022. Internet-based information service providers that provide users with information release services, should provide and disclose the rules for the management of user accounts and platform conventions and enter into service agreements with users. Internet-based information service providers should authenticate the identification information of the users who apply for registration of accounts for production of information content in areas such as economics, education, medical care and health, and justice, and the service providers should require these users to provide relevant documents such as service qualification, professional qualification, and professional background information for verification and add a special label to the accounts that have been verified. Any internet-based information service provider in violation of these provisions should be punished in accordance with the laws and administrative regulations.

On September 9, 2022, the CAC, the MIIT, and the SAMR issued the Administrative Provisions on Internet Pop-up Push Notification Services, which took effect on September 30, 2022. The provisions require that internet pop-up push notification service providers should implement the responsibilities as subjects of information content management and establish and improve management systems for censoring of information content, ecological governance, data security, and personal information protection, and protection of minors.

On November 25, 2022, the CAC, the MIIT, and the Ministry of Public Security jointly issued the Administrative Provisions on Deep Synthesis of Internet Information Services, which took effect on January 10, 2023. According to the provisions, deep synthesis technology refers to any technology that utilizes deep learning, virtual reality, or any other generative or synthetic algorithm to produce text, images, audio, video, virtual scenes, or other network information. The provisions emphasize that deep synthesis service providers, as the primary entities responsible for the information security, should not use deep synthesis services to engage in activities prohibited by laws and regulations.

On June 12, 2024, the CAC and other three authorities jointly promulgated the Provisions on Governance of Cyber Violence Information, which came into effect on August 1, 2024, regulating activities related to cyber violence information within the PRC. Internet information service providers are given primary responsibility for managing Internet content and establishing, maintaining, and continually improving mechanisms for restricting cyberviolence information.

Regulations Relating to Mobile Internet Applications Information Services

In addition to the PRC Telecommunications Regulations and other regulations above, mobile internet applications, or apps, are specially regulated by the Administrative Provisions on Mobile Internet Applications Information Services, which were promulgated by the CAC on June 28, 2016 and last amended on June 14, 2022 and took effect on August 1, 2022. The provisions set forth requirements on the app information service providers and the App Store service providers. The CAC and its local branches shall be responsible for the supervision and administration of nationwide and local app information respectively.

App providers shall strictly fulfill their responsibilities of information security management, and perform the following duties: (i) in accordance with the principle of "real name at background, any name at foreground," verify identities with the registered users through mobile phone numbers, ID numbers, unified social credit codes, and other measures; (ii) establish and improve the mechanism for user information security protection, follow the principle of "legality, appropriateness, necessity, and good faith" in collection and use of personal information, expressly state the purpose, methods, and scope of information collection, and obtain the users' consent; (iii) establish a sound information content review and management mechanism, and establish and improve management measures for user registration, account management, information review, routine inspections, and emergency response, with professionals and technical capabilities commensurate with their service scale; (iv) adhere to the principle of being most beneficial to minors, and strictly implement the requirements for the registration and login of minors' user accounts with real identity information in accordance with the law; (v) do not induce users to download apps by means of false advertisement, bundled downloads, or other acts, or via machine or manual comment control, or by using illegal and harmful information; and (vi) perform the obligation of ensuring data security, establish a sound whole-process data security management system, take technical measures to ensure data security and other security measures, and strengthen risk monitoring, and cannot endanger national security or public interests, or damage the legitimate rights and interests of others.

On July 21, 2023, the MIIT issued the Circular on Launching the Record-filing of Mobile Internet Applications, pursuant to which we shall complete a record-filing procedure with the MIIT for our mobile apps with engagement of provision of internet information service within the PRC before March of 2024. We are not allowed to continue to provide internet information services via our mobile apps within the PRC if applicable filings for our mobile apps cannot be completed. As of the date of this annual report, we have completed these filings for all our mobile apps intended for providing internet information service within the PRC.

On 10 January 2026, the CAC released the draft Regulations on the Collection and Use of Personal Information by Internet Applications for public opinion, aiming to regulate personal information collection across internet applications, software development kits (SDKs), and distribution platforms. The draft bans unauthorized recording, excessive data collection, and mandates permission requests follow the "enable as needed, disable when done" principle. It requires clear disclosures on collection purposes, methods, and scope, while granting users the rights to withdraw consent and delete accounts. For smart devices and third-party SDKs, it establishes joint liability, prohibits forced bundling of pre-installed software, and ensures independent disabling options.

Regulations Relating to Internet Culture Activities

Internet audio-visual program services are categorized as internet culture business. The Interim Administrative Provisions on Internet Culture, promulgated by the Ministry of Culture on May 10, 2003, and last amended with immediate effect on December 15, 2017, classify internet culture activities into non-commercial internet cultural activities and commercial internet cultural entities. Under the Interim Administrative Provisions on Internet Culture, internet culture activities include: (i) the production, reproduction, importation, distribution, or streaming of internet culture products (such as online music, online game, online program, online series, online performance, online cartoon, etc.); (ii) the dissemination of culture products via internet; and (iii) the exhibitions, competitions, and other similar activities concerning internet culture products. To conduct commercial internet culture activities, the Internet Cultural Business License is a prerequisite.

On April 13, 2005, the State Council promulgated Decisions on the Entry of the Non-state-owned Capital into the Cultural Industry. On July 6, 2005, five PRC regulatory agencies, including the Ministry of Culture, State Administration of Radio, Film and Television, the General Administration of Press and Publications, the NDRC, and the Ministry of Commerce, jointly adopted Opinions on Introducing Foreign Investments to the Cultural Sector. According to these regulations, non-state-owned capital and foreign investors are generally not allowed to conduct the business of transmitting audio-visual programs via information network. In addition, internet cultural business, except for music, remains a prohibited area for foreign investment on the 2024 Negative List.

The Administrative Measures for Content Self-review by Internet Culture Business Entities, which were promulgated by the Ministry of Culture on August 12, 2013 and took effect on December 1, 2013, require internet culture business entities to review the content of culture products and services before providing them to the public. The content management system required to be established by an internet culture business entity shall specify the responsibilities, standards and processes for content review as well as accountability measures, and be filed with the local provincial branch of the Ministry of Culture.

Regulations Relating to Internet Audio-Visual Program Services

According to the Administrative Regulations on Internet Audio-Visual Program Service promulgated by the State Administration of Radio, Film and Television and the Ministry of Information Industry, the predecessor of the MIIT, on December 20, 2007, which were amended on August 28, 2015, internet audio-visual program service refers to activities of making, editing, and integrating audio-visual programs, providing them to the general public via internet, and providing such services to other people by uploading. An internet audio-visual program service provider must obtain an Audio-Visual Permit issued by the State Administration of Radio, Film and Television or complete certain registration procedures with the State Administration of Radio, Film and Television. On March 30, 2009, the State Administration of Radio, Film and Television promulgated the Notice on Strengthening the Administration of the Content of Internet Audio-Visual Programs, which reiterates the pre-approval requirements for the internet audio-visual programs, including those on mobile network (if applicable), and prohibits internet audio-visual programs containing violence, pornography, gambling, terrorism, superstition, or other prohibited elements. The State Administration of Press, Publication, Radio, Film and Television issued the Supplemental Notice on Improving the Administration of Online Audio-visual Content Including Internet Drama and Micro Films on January 2, 2014. This notice emphasizes that entities producing online audio-visual content, such as internet drama and micro films, must obtain a Radio and Television Program Production and Operation License, and that online audio-visual content service providers cannot release any internet drama or micro films that were produced by any entity lacking such license. For internet drama or micro films produced and uploaded by individual users, the online audio-visual service providers transmitting such content will be deemed responsible as a producer. Further, under this notice, online audio-visual service providers can only transmit content uploaded by individuals whose identity has been verified and such content shall comply with the content management rules. This notice also requires that online audio-visual content, including internet drama and micro films, to be filed with the authorities before release.

Pursuant to the Administrative Regulations on Internet Audio-Visual Program Service, providers of internet audio-visual program services are generally required to be either state-owned or state-controlled. According to the Official Answers to Press Questions Regarding the Administrative Regulations on Internet Audio-Visual Program Service published on the website of the State Administration of Radio, Film and Television on February 3, 2008, the State Administration of Radio, Film and Television and Ministry of Information Industry, the predecessor of the MIIT, clarified that providers of internet audio-visual program services who had legally engaged in such services prior to the adoption of these regulations are eligible to re-register their businesses and continue their operations of internet audio-visual program services so long as those providers have not been in violation of the laws and regulations. This exemption will not be granted to internet audio-visual program service providers established after the adoption of these regulations.

These policies have later been reflected in the Notice on Relevant Issues Concerning Application and Approval of Audio-Visual Permit, issued by State Administration of Radio, Film and Television on April 8, 2008 and amended on August 28, 2015.

In March 2018, the State Administration of Press, Publication, Radio, Film and Television issued the Notice on Further Regulating the Transmission Order of Internet Audio-visual Programs, which requires that, among others, audio-visual platforms shall: (i) not produce or transmit programs intended to parody or denigrate classic works, (ii) not re-edit, re-dub, re-caption or otherwise ridicule classic works, radio and television programs, or original internet audio- visual programs without authorization, (iii) not transmit re-edited programs which unfairly distort the original content, (iv) strictly monitor the adapted content uploaded by platform users and not provide transmission channels for illicit content, (v) immediately take down unauthorized content upon receipt of complaints from copyright owners, radio and television stations, or film and television production institutions, (vi) strengthen the administration of movie trailers and prevent improper broadcasting of movie clips and trailers prior to authorized release, and (vii) strengthen the administration of sponsorship and endorsement for internet audio-visual programs. Pursuant to this notice, the provincial branches of State Administration of Press, Publication, Radio, Film and Television shall have the authority to supervise radio and television stations and websites that offer audio-visual programs within its jurisdiction and require them to further improve their content management systems and implement the management requirements.

According to the Administrative Provisions on Online Audio-Visual Information Services, which were promulgated jointly by the CAC, the PRC Ministry of Culture, and the PRC Tourism, and the National Radio and Television Administration on November 18, 2019 and came into effect on January 1, 2020, online audio-visual information service providers shall authenticate user's real identity information based on organization code, identity card number, mobile phone number, etc. Online audio-visual information service providers shall not serve users who fail to provide their real identity information. Online audio-visual information service providers are the principals responsible for information content security management, and should, among other things, establish and improve their internal policies in relation to user registration, scrutiny of information publication, and information safety management. Organizations and individuals are prohibited from using online audio-visual information services and related information technology to carry out illegal activities and infringe legal rights and interests of others. Online audio-visual information service providers shall strengthen the management of the audio-visual information posted by users, deploy and apply identification technologies for illegal and non-real audio and video; if any user is found to produce, post or disseminate content prohibited by laws or regulations, the transmission of such information shall be ceased, and disposal measures such as deletion shall be taken to prevent the information from spreading, and such service providers shall save relevant records, and report to the CAC, the Ministry of Culture and Tourism, and the National Radio and Television Administration.

Under the Regulations on the Administration of Production of Radio and Television Programs, which were promulgated by the State Administration of Radio, Film and Television on July 19, 2004 and most recently amended on June 3, 2025, any entities that engage in the production of radio and television programs are required to apply for a license from the State Administration of Radio, Film and Television or its local level counterparts. Entities with the Radio and Television Program Production and Operation License must conduct their operations strictly within the approved scope of production and operation. Except for radio and television broadcasting institutions, the above-mentioned permit holders shall not produce radio and television programs concerning current political news or special topics, columns and other programs of the same kind.

On January 9, 2019, the China Net-casting Services Association issued the Regulations on Administration of Network Short Video Platforms, pursuant to which, a network platform is required to obtain the Audio-Visual Permit and relevant qualifications to provide short video services, and to strictly operate within the scope of such permit. The network short video platform is required to establish a chief-editor content management and responsibility system, and all content of a short video, including but not limited to its title, description, bullet-chats and comments shall be reviewed in advance before the content is broadcasted. Furthermore, the number of content reviewers a platform is required to host should, in principle, be more than one-thousandth of the number of short videos newly broadcasted on the platform per day. The content reviewers are expected to have high political awareness and professionality. The China Net-casting Services Association issued the Censoring Criteria for Network Short Video Content on January 9, 2019 and amended it on December 15, 2021, which set forth certain details of content prohibited to be broadcasted, such as violence, pornography, gambling, terrorism, and other illegal or immoral content.

Regulations on Artificial Intelligence

On May 8, 2015, the State Council issued a notice promulgating the Made in China 2025 Plan, which came into effect on the same day. The Made in China 2025 Plan emphasizes the acceleration of the promotion of the integrated development of new generation information technology and manufacturing technology, and regards intelligent manufacturing as the main direction of the comprehensive integration of informatization and industrialization. Meanwhile, it is underlined that efforts should be made to develop intelligent equipment and intelligent products, promote intelligent production processes, cultivate new production methods, and comprehensively enhance the intelligent level of research and development, production, management and service of enterprises.

On July 8, 2017, the State Council issued the Development Plan of a New Generation of Artificial Intelligence. The plan outlines three strategic steps in developing a new generation of artificial intelligence technology, and set goals to have China's artificial intelligence technology reach a leading level in the world and become one of the major artificial intelligence innovation centers globally.

On August 1, 2019, the Ministry of Science and Technology issued Guidelines for the Construction of the National New Generation of AI Open Innovation Platform, emphasizing that "open and sharing" should be the important philosophy in promoting artificial intelligence innovation and industry development in China, and encouraged to open innovation platforms for companies to conduct testing, thereby forming standard and modularized models, middleware and applications to provide services to the public in the form of open interfaces, model libraries, algorithm packages, etc.

The Guidelines for the Construction of the New Generation of National Artificial Intelligence Innovation and Development Pilot Zone, which were promulgated by the Ministry of Science and Technology on August 29, 2019 and last amended on September 29, 2020 and came into effect on the same day, underlines the need to create an environment conducive to the innovation and development of artificial intelligence, to promote the construction of artificial intelligence infrastructure and strengthen the conditional support for the innovation and development of artificial intelligence.

On December 31, 2021, the CAC, the MIIT, the Ministry of Public Security and the SAMR jointly issued the Administrative Provisions on Internet Information Service Algorithm-Based Recommendation, which became effective on March 1, 2022. According to these provisions, algorithmic recommendation service providers must (i) fulfill the responsibilities for algorithm security, (ii) establish and strengthen management systems for algorithm mechanism examination, ethical review in technology, user registration, information release examination, protection of data security and personal information, anti-telecom and network fraud, security assessment and monitoring, and emergency response to security incidents, and (iii) formulate and publish rules governing algorithmic recommendation related service. In addition, algorithmic recommendation services provider should not use the services to (i) carry out any illegal activity which may endanger national security and social public interest, disturb economic order and social order, or infringe third parties' legal interest, (ii) spread any information prohibited by laws or regulations, or (iii) take advantage of algorithms to impose unreasonable restrictions on other information service providers, or hinder or obstruct the normal operation of their legal services. Providers of algorithmic recommendation services that possess public opinion attributes or social mobilization capabilities must complete the filing with the CAC's filing system within ten business days after launching their services.

On November 25, 2022, the CAC, the MIIT, and the Ministry of Public Security jointly promulgated the Administrative Provisions on Deep Synthesis of Internet Information Services, which became effective on January 10, 2023. These provisions define deep synthesis technology as any technology that employs deep learning, virtual reality, or other generative or synthetic algorithms to create text, images, audio, video, virtual scenes, or other forms of network information. The provisions highlight that providers of deep synthesis services, who are the main entities responsible for information security, must not use these services to engage in activities that are forbidden by laws and regulations. Should the CAC and other relevant government authorities detect that a deep synthesis service poses a significant information security risk, they have the authority to demand that the service providers and technical supporters suspend information updates, user account registrations, or other related services in accordance with their responsibilities and applicable laws. The service providers and technical supporters are required to take corrective actions to eliminate potential hazards. Violations of these provisions will result in punishments as stipulated by relevant laws and regulations. If the actions of the deep synthesis service providers and/or technical supporters violate public security administration regulations, they will be subject to penalties under the relevant public security laws. In cases where the actions constitute a crime, the service providers and/or technical supporters will be held criminally liable.

On March 7, 2025, the CAC and three other Chinese government authorities jointly promulgated the Measures for Identification of AI Generated Synthetic Contents, which will be effective on September 1, 2025. These measures outline that the identification of AI-generated synthetic contents comprises explicit and implicit identifications. Explicit identifications are those added to the synthetic contents or interactive interfaces, presented in forms such as text, sound, or graphics, and are clearly perceptible to users. Implicit identifications, on the other hand, are added to the file data of synthetic contents through technical means and are not easily detected by users. When the services provided by service providers involve intelligent dialogue, writing, voice synthesis, face generation, immersive scene creation, or other deep synthesis services that generate or significantly alter information content in a way that may cause public confusion or misidentification, explicit identifications must be incorporated into the synthetic contents. Service providers are also required to embed implicit identifications within the metadata of synthetic content documents, which should include details such as the attributes of the synthetic contents, the name or code of the service provider, content serial numbers, and other production-related information. Additionally, service providers are encouraged to utilize forms like digital watermarks to embed implicit identifications into the synthetic contents.

The Interim Measures for the Management of Generative Artificial Intelligence Services, which were promulgated by the CAC together with other government authorities on July 10, 2023 and came into effect on August 15, 2023, specify the compliance requirements for generative artificial intelligence service providers. Individuals or organizations that provide generative artificial intelligence services, such as texts, images, audio, video, and other content shall bear the responsibility of network information content producers to fulfill obligations related to network information security and shall bear the responsibility of personal information processors to protect personal information. Generative artificial intelligence service provider with public opinion attributes or social mobilizing ability shall carry out security assessments in accordance with the regulations of the PRC and shall perform the procedures for algorithm filing, alteration and deregistration in accordance with the Administrative Provisions on Internet Information Service Algorithm-Based Recommendation.

We have completed the necessary security assessment and algorithm filing in accordance with the Administrative Provisions on Internet Information Service Algorithm-Based Recommendation and other applicable laws and regulations.

Regulations Relating to Publication

Restriction on Internet Publication

According to the Opinions on Introducing Foreign Investments to the Cultural Sector, foreign investors are prohibited from engaging in businesses such as internet publication and offline publication.

Pursuant to the Administrative Measures on Internet Information Services, any engagement in internet information services related to publication, prior to applying for an operation permit or going through the record-filing formalities, are subject to the examination and consent of the competent authorities as required by the laws, administrative regulations, and other applicable provisions. Pursuant to the Administrative Measures for Internet Publication Services, which were jointly promulgated by the State Administration of Press, Publication, Radio, Film and Television and the MIIT on February 4, 2016 and became effective on March 10, 2016, the entities providing internet publication services shall adopt a system of responsibility for examination of the content of publications, an editor responsibility system, a proofreader responsibility system, and other management systems to ensure the quality of its web publications. The State Administration of Press, Publication, Radio, Film and Television and its local branches are responsible for the prior approval, supervision, and administration of the internet publication services nationwide, and any internet publication service and internet publication item, or publication of internet publication item is required to obtain an internet publishing service license. Pursuant to the Administrative Measures for Internet Publication Services, Sino-foreign equity joint ventures, Sino-foreign cooperative ventures, and foreign-invested entities cannot engage in internet publication services.

The Administrative Measures for Internet Publication Services stipulate precise conditions for entities (except book, audio-visual, electronic, newspaper, and periodical publishers) engaging in internet publication services to meet, including: (i) have definite website domains, intelligent terminal applications and other publishing platforms for engaging in online publishing business; (ii) have a definite scope of internet publication services; (iii) have technical equipment necessary for engaging in internet publication services, provided that servers and storage devices must be located within the PRC territory; (iv) have the name and the articles of association for the online publishing service provider, and the name is definite and different from any of those of other publishers; (v) have a legal representative and main responsible person in compliance with the requirements, which means that the legal representative must be a Chinese citizen with full civil capacity and permanently residing in the PRC territory, and that either the legal representative or the main responsible person should have vocational qualifications for technicians engaged in the profession of publishing at or above the intermediate level; (vi) in addition to the legal representative and the main responsible person, have at least eight full-time editorial and publishing employees having technical and vocational qualifications for the profession of publishing and other related professions as approved by the State Administration of Press, Publication, Radio, Film and Television that can meet the needs within the scope of online publishing services, of which there are at least three employees with professional qualifications at or above the intermediate level; (vii) have a content review system required for engaging in online publishing services; (viii) have a fixed work place; and (ix) other conditions as provided by laws, administrative regulations, and the State Administration of Press, Publication, Radio, Film and Television. The entities providing internet publication services implement a system of special management shares.

If any entity arbitrarily engages in internet publication services or arbitrarily launches online games (including online games authorized by foreign copyright owners) without approval, it might be banned by the competent publication administrative department and the administrative department for industry and commerce with statutory authority and a fine up to ten times the illegal operating income may be imposed.

In addition, based on the Administrative Measures for Internet Publication Services, an annual verification system shall apply to internet publishing service providers and shall be carried out once every year. The competent administrative departments for the State Administration of Press, Publication, Radio, Film and Television should carry out the annual verification of internet publishing service providers within their respective administrative regions and report relevant information to the State Administration of Press, Publication, Radio, Film and Television.

Pursuant to the Administrative Regulations on Publishing (2020 Revised) promulgated by the State Council on November 29, 2020, organizations and individually owned businesses engaging in distribution of publications through information network such as the internet shall obtain a Publication Operation License pursuant to the provisions of these regulations.

Restriction on Offline Distribution

On June 28, 2012, the General Administration of Press and Publications promulgated the Implementing Rules of the General Administration of Press and Publication for Supporting Private Capital's Participation in Publishing Operation Activities, pursuant to which, the General Administration of Press and Publications, among other things, (i) continuously supports private capital to invest in the establishment of enterprises of publication issuance, wholesale, retailing, and chain operation to engage in the issuance and operation activities of publication products, such as books, newspaper, periodicals, video and audio products, and electronic publications; and (ii) continuously supports private capital to invest in the establishment of internet digital publishing enterprises, including online game publishing, mobile publishing, e-book publishing, and content software development to engage in publishing and operation activities.

The Administrative Provisions on the Publication Market were jointly issued by the State Administration of Press, Publication, Radio, Film and Television and Ministry of Commerce on May 31, 2016 and became effective on June 1, 2016. The provisions regulate the activities of publication distribution, including publication wholesale or retail activities, which shall be carried with the Publication Operation License. Without licensing, such entity or individual may be ordered to cease illegal acts by the competent administrative department of publication, be given a warning, and be concurrently subject to a fine.

Regulations Relating to Private Education

The PRC Education Law

The PRC Education Law, which was promulgated by the PRC National People's Congress on March 18, 1995, and last amended on April 29, 2021 and became effective on April 30, 2021, sets forth provisions relating to the fundamental education systems of the PRC, including a school education system comprising pre-school education, elementary education, secondary education, and higher education, a system of nine-year compulsory education, a national education examination system, and a system of education certificates. The PRC Education Law stipulates that the state formulates plans for education development, establishes and operates schools and other educational institutions, and in principle, enterprises, institutions, social organizations and individuals are encouraged to operate schools and other educational institutions in accordance with PRC laws and regulations. Other than those sponsored wholly or partially by governmental funds or donated assets, schools or other educational institutions may be established for profit-making purposes.

The Law for Promoting Private Education of the PRC and Its Implementation Rules

The principal laws and regulations governing the private education industry in China are the Law for Promoting Private Education of the PRC, promulgated by the Standing Committee of the National People's Congress on December 28, 2002, last amended and becoming effective on December 29, 2018, and the Implementation Rules for the Law for Promoting Private Education of the PRC, promulgated by the State Council on March 5, 2004, last amended on April 7 and becoming effective on September 1, 2021. Collectively, the Law for Promoting Private Education of the PRC and the Implementation Rules for the Law for Promoting Private Education of the PRC are referred to as the Private Education Law and Implementation Rules. Under the Private Education Law and Implementation Rules, "private schools" are schools established by non-governmental organizations or individuals using non-government funds. Private schools providing certifications, pre-school education, self-study aid and other academic education are subject to approval by the education authorities, while private schools engaging in vocational qualification training and vocational skill training are subject to approval by the authorities in charge of labor and social welfare. Private schools have the same status as public schools, though private schools are prohibited from providing military, police, political and other kinds of education that are of a special nature. In addition, online education activities using internet technology are encouraged by the regulatory authorities and shall comply with laws and regulations related to internet management. A private school engaging in online education activities using internet technology shall obtain the relevant operating permit. It shall also establish and implement internet security management systems and take technical security measures. Upon discovery of any information whose release or transmission is prohibited by applicable laws or regulations, the private school shall immediately cease the transmission of that information and take further remedial actions, such as deleting that information, to prevent it from spreading. Records pertaining to the situation shall be kept and reported to the appropriate authorities.

On December 29, 2016, the State Council issued the Several Opinions of the State Council on Encouraging the Operation of Education by Social Forces and Promoting the Healthy Development of Private Education, which call for the ease of access to the operation of private schools and encourage social forces to enter into the education industry. The opinions also provide that each level of the government shall increase their support to the private schools in terms of financial investment, financial support, autonomy policies, preferential tax treatments, land policies, fee policies, autonomy operation, protection of the rights of teachers and students etc. Further, the opinions require each level of the government to improve local policies on government support to for-profit and non-profit private schools by such means as preferential tax treatments.

Regulations on Online Education

On September 19, 2019, the Ministry of Education, jointly with multiple PRC government authorities, issued the Guidance Opinions on Promoting the Healthy Development of Online Education, which provide, among others, that (i) social forces are encouraged to establish online education institutions, develop online education resources, and provide high quality educational services; and (ii) an online education negative list shall be promulgated, and industries not included in the negative list are open for all types of entities to enter. Moreover, the Ministry of Education, jointly with multiple PRC government authorities, promulgated the Opinions on Guiding and Regulating the Orderly and Healthy Development of Educational Mobile Apps on August 10, 2019, which require, among others, that mobile apps providing services for school teaching and management, student learning and student life, or home-school interactions, with school faculty, students, or parents as the main users, and with education or learning as the main application scenarios, be filed with competent provincial regulatory authorities for education.

Regulations on Vocational Education

The PRC Vocational Education Law, promulgated by the Standing Committee of the National People's Congress on May 15, 1996 and amended on April 20, 2022, and becoming effective on May 1, 2022, applies to vocational schools of all types and levels and vocational training of to all forms. According to this law, institutional organizations, social organizations, and other social groups and individuals are encouraged to operate vocational schools and vocational training institutions according to applicable provisions. The law divides vocational school education into elementary, secondary, and higher vocational education. Vocational school education includes secondary vocational school education and tertiary vocational school education. The secondary vocational school education must be conducted by secondary vocational schools (including technical training schools) at the advanced level of secondary education. The tertiary vocational school education must be conducted by tertiary vocational schools and regular higher education institutions at or above the levels of junior college education and regular course education. Other schools, education institutions, or eligible enterprises and industry organizations may provide corresponding levels of vocational school education or courses for credit included in talent training plans in accordance with the overall planning of education administrative departments. Vocational training includes pre-employment training, on-the-job training, re-employment training, and other vocational training, which may be provided by grade and class according to actual conditions. Vocational training may be carried out by the corresponding vocational training institutions or vocational schools. Other schools or educational institutions as well as enterprises and social organizations may provide various forms of vocational training to the society in accordance with the law according to their capability to provide education and social needs.

The government authorities issued various rules and regulations regarding the reform and promotion of vocational education. For example, the Opinions of the State Council on the Implementation of Lifetime Vocational Skills Training System issued on May 3, 2018 proposes, among others, to improve the policy of lifelong vocational skills training for all workers in urban and rural areas from the beginning of labor preparation to the realization of employment and entrepreneurship and throughout the whole process of learning and career. The Notice of the State Council on Promulgation of the Implementation Plan for National Vocational Education Reform issued on January 24, 2019 provides, among others, that vocational education is as important as general education, and shall be put in a more prominent position in the reform and innovation of education and economic and social development of China. All sectors of the society, especially enterprises, are encouraged and supported to actively support vocational education and focus on cultivating high-quality workers and technical and skilled personnel. The Notice on the Implementation of Vocational skills-Upgrading Action "Internet + Vocational Skills Training Plan" issued on February 17, 2020 proposes, among others, to vigorously carry out online vocational skills training by innovating training methods, making full use of channels such as websites and mobile applications, and expanding the coverage of online vocational skills training, as well as to enrich the resources of online training courses by actively procuring technical colleges, enterprises and social training institutions to develop online training courses, grant access to online training resources, and cooperate with online training platforms to carry out online training. The Opinions on Promoting the High-quality Development of Modern Vocational Education issued on October 12, 2021, targets, among others, fundamental establishment of modern vocational education system, and significant improvement in the appeal and training quality of vocational education by 2025.

Regulations Relating to Internet Advertisement

The PRC Advertisement Law, which was promulgated by the Standing Committee of the National People's Congress on October 27, 1994 and last amended on April 29, 2021, requires advertisers to ensure that the contents of the advertisements are true. The content of advertisements cannot contain prohibited information, including but not limited to: (i) information that harms the dignity or interests of the nation or divulges state secret, (ii) information that contains wordings such as "national level," "highest level," and "best," and (iii) information that contains ethnic, racial, religious, or sexual discrimination. Advertisements posted or published through the internet cannot affect normal usage of network by users. Advertisements published in the form of pop-up window on the internet must display the close button clearly to make sure that the viewers can close the advertisement by one-click.

On February 25, 2023, the SAMR promulgated the Measures for the Administration of Internet Advertising, which took effect on May 1, 2023. The Measures for the Administration of Internet Advertising Administration regulate any advertisement published on the internet, including but not limited to, those on websites, webpage, and Apps, in the forms of text, picture, audio and video. The measures strengthen the management of pop-up advertisements, link advertisements, and advertorials, among others. The measures stipulate that the promotion of commodities or services in the form of paid listing on the internet must be conspicuously identified as an advertisement. Moreover, they require advertisers, operators, and publishers of internet advertisements containing links to examine the content directed by the next-level link. In addition, internet platform operators are obliged to cooperate with advertising monitoring, assist in supervision, and provide statistical data.

On August 22, 2024, the SAMR published the Regulatory Enforcement Guidelines on the Identifiability of Internet Advertisements. The guidelines require commercial advertisements released through internet media be identifiable by consumers as advertisements and distinguished by consumers from other non-advertising information without misunderstanding. Internet advertisement publishers may enhance the identifiability of internet advertisements through text annotation or voice prompts, both of which should clearly indicate the advertisement as “advertisement” and should be responsible for internet advertisements without if such internet advertisements is not identifiable as advertisements.

Regulations Relating to Information Security

Internet content in the PRC is also regulated and restricted from a state security point of view. The Decision Regarding the Safeguarding of Internet Security, enacted by the Standing Committee of the National People’s Congress on December 28, 2000 and amended with immediate effect on August 27, 2009, makes it unlawful to: (i) gain improper entry into a computer or system of strategic importance; (ii) disseminate politically disruptive information; (iii) leak state secrets; (iv) spread false commercial information; or (v) infringe intellectual property rights.

The Administrative Measures for the Security Protection of International Connections to Computer Information Network, issued by the Ministry of Public Security on December 16, 1997 and amended on January 8, 2011, prohibit the use of the internet in ways that, among other things, result in a leakage of state secrets or the distribution of socially destabilizing content. Socially destabilizing content includes any content that incites defiance or violations of PRC laws or regulations or subversion of the PRC government or its political system, spreads socially disruptive rumors or involves cult activities, superstition, obscenities, pornography, gambling or violence. State secrets are defined broadly to include information concerning PRC’s national defense affairs, state affairs and other matters as determined by the PRC authorities.

In addition, the State Secrecy Bureau is authorized for the blocking of access to any website it deems to be leaking state secrets or failing to comply with the legislation regarding the protection of state secrets.

On July 1, 2015, the Standing Committee of the National People’s Congress issued the National Security Law, which came into effect on the same day. The National Security Law provides that the state shall safeguard the sovereignty, security and cybersecurity development interests of the state, and that the state shall establish a national security review and supervision system to review, among other things, foreign investment, key technologies, internet, and information technology products and services, and other important activities that are likely to impact the national security of the PRC.

On November 7, 2016, the Standing Committee of the National People's Congress issued the PRC Cybersecurity Law, which came into effect on June 1, 2017. This is the first Chinese law that focuses exclusively on cybersecurity. The PRC Cybersecurity Law provides that network operators must set up internal security management systems that meet the requirements of a classified protection system for cybersecurity, including appointing dedicated cybersecurity personnel, taking technical measures to prevent computer viruses, network attacks and intrusions, taking technical measures to monitor and record network operation status and cybersecurity incidents, and taking data security measures such as data classification, backups and encryption. The PRC Cybersecurity Law also imposes a relatively vague but broad obligation to provide technical support and assistance to the public and state security authorities in connection with criminal investigations or for reasons of national security. The PRC Cybersecurity Law also requires network operators that provide network access or domain name registration services, landline or mobile phone network access, or that provide users with information publication or instant messaging services, to require users to provide a real identity when they sign up. The PRC Cybersecurity Law sets high requirements for the operational security of facilities deemed to be part of the PRC's "critical information infrastructure." These requirements include data localization, i.e., storing personal information and important business data in China, and national security review requirements for any network products or services that may impact national security. Among other factors, "critical information infrastructure" is defined as critical information infrastructure, that will, in the event of destruction, loss of function or data leak, result in serious damage to national security, the national economy and people's livelihoods, or the public interest. Specific reference is made to key sectors such as public communication and information services, energy, transportation, water-resources, finance, public services, and e-government. The Cybersecurity Law of the People's Republic of China was amended on October 28, 2025, and the revisions emphasize supporting the research, development, and application of artificial intelligence technologies to enhance cybersecurity measures. In addition, the amendments require network operators processing personal information to comply with the Civil Code and the Personal Information Protection Law. The revisions also introduce substantially higher maximum fines for violations that result in significant adverse consequences.

The Provisions on Technological Measures for Internet Security Protection, promulgated by the Ministry of Public Security on December 13, 2005, becoming effective on March 1, 2006, require internet service providers to keep records of certain information about their users (including user registration information, log-in and log-out times, IP addresses, content and time of posts by users) for at least 60 days. Under the PRC Cybersecurity Law, network operators must report any instances of public dissemination of prohibited content. If a network operator fails to comply with these requirements, the PRC government may revoke its ICP License and shut down its websites.

On March 13, 2019, the Office of the Central Cyberspace Affairs Commission and the SAMR jointly issued the Notice on App Security Certification and the Implementation Rules on Security Certification of Mobile Internet Application, which encourages mobile application operators to voluntarily obtain app security certification, and search engines and app stores are encouraged to recommend certified applications to users.

On July 22, 2020, the Ministry of Public Security published the Guiding Opinions on the Implementation of Cybersecurity Hierarchical Protection System and Critical Information Infrastructure Security Protection System, which require, among others, a scientific determination of the cybersecurity protection level based on the importance of network (including network facilities, information system, and data resources) in national security, economic construction, and social life, as well as various factors such as the degree of harm after its destruction, to implement hierarchical protection and supervision, with emphasis on ensuring the security of critical information infrastructure and networks at or above the third level.

On June 10, 2021, the Standing Committee of the National People's Congress issued the PRC Data Security Law, which became effective on September 1, 2021. The PRC Data Security Law provides a national data security review system, under which, data processing activities that affect or may affect national security shall be reviewed. In addition, it clarifies the data security protection obligations of organizations and individuals carrying out data activities and implementing data security protection responsibility, data processors shall establish and improve the whole-process data security management rules, organize and implement data security trainings as well as take appropriate technical measures and other necessary measures to protect data security. Any organizational or individual data processing activities that violate the PRC Data Security Law shall bear the corresponding civil, administrative or criminal liabilities depending on specific circumstances.

The Opinions on Lawfully and Strictly Cracking Down Illegal Securities Activities, promulgated by the General Office of the CPC Central Committee and the General Office of the State Council on July 6, 2021, call for the enhanced administration and supervision of overseas-listed China-based companies, proposed to revise the regulation governing the overseas issuance and listing of shares by such companies and clarified the responsibilities of competent domestic industry regulators and government authorities. The opinions also called for the improvement of the laws and regulations on data security, cross-border data flow and confidential information management, and proposed to revise the provisions on strengthening confidentiality and archive administration of overseas issuance and listing of securities, to consolidate responsibility for information security of overseas listed companies, and to strengthen the standardized management of the cross-border information provision mechanism and process.

On July 30, 2021, the State Council promulgated the Regulations for the Security Protection of Critical Information Infrastructure, which became effective on September 1, 2021, defining "critical information infrastructures" as important network facilities and information systems in important industries including public communications and information services, as well as those that may seriously endanger national security, national economy, people's livelihood, or public interests in the event of damage, loss of function, or data leakage. On December 28, 2021, the CAC, the NDRC, the MIIT, and several other PRC governmental authorities jointly promulgated the Cybersecurity Review Measures, which took effect on February 15, 2022. According to the Cybersecurity Review Measures, critical information infrastructure operators that intend to purchase internet products and services and internet platform operators engaging in data processing activities that affect or may affect national security must be subject to the cybersecurity review, and an internet platform operator possessing personal information of over one million users and intending to be listed on a foreign stock exchange must be subject to the cybersecurity review.

On July 7, 2022, the CAC promulgated the Measures for the Security Assessment of Cross-Border Data Transmission, which took effect on September 1, 2022. In accordance with these measures, data processors will be subject to security assessment conducted by the CAC prior to any cross-border data transmission if it involves (i) important data, (ii) personal information transmitted overseas by a critical information infrastructure operator or a data processor that has processed personal data of more than one million persons, (iii) personal information transmitted overseas by a data processor who has already provided personal data of 100,000 persons or sensitive personal data of 10,000 persons overseas since January 1 of last year, or (iv) other circumstances as requested by the CAC. In addition, data processors are required to conduct self-assessment on the risks of cross-border data transmission prior to their applying for the security assessment and focus on assessment of the following significant matters, including, among others: (i) the legality and necessity of the purpose, scope, and method of cross-border data transmission, (ii) the scale, scope, type, and sensitivity of data transmitted overseas, and risks to the national security, public interests, or legitimate rights of individuals or organizations caused by such cross-border data transmission, (iii) the responsibilities and obligations that the overseas recipient of such data promises to undertake, and whether such overseas recipient's management and technical measures and capabilities for performing its responsibilities and obligations can guarantee the security of cross-border data transmission, (iv) the risks that the data transmitted overseas may be falsified, destroyed, divulged, lost, transferred, illegally obtained, or illegally used during and after the cross-border transmission, and (v) whether contracts or other legally binding documents entered into with the overseas recipient have fully stipulated the responsibilities and obligations to protect data security. Furthermore, any cross-border data transmission activities conducted in violation of the Measures for the Security Assessment of Cross-Border Data Transmission before the effectiveness of the measures, which is September 1, 2022, are required to be rectified within six months of the effectiveness date.

On February 22, 2023, the CAC promulgated the Provisions on the Standard Contract for Personal Information Outbound Transfer, which became effective on June 1, 2023. The provisions state that the personal information processor who provides personal information abroad through execution of standard contract shall meet certain criteria, conduct an assessment on personal information protection impact before providing any personal information abroad, and complete the filing with local cybersecurity authority within ten working days from the effective date of the standard contract. The provisions attach a sample standard contract for personal information outbound transfer.

On September 24, 2024, the State Council published the Network Data Security Management Regulations (the "Data Security Regulations"), which became effective on January 1, 2025. The Data Security Regulations provide that data processors conducting the data processing activities that affect or may affect national security shall apply for cybersecurity review in accordance with the relevant laws and regulations. The Data Security Regulations subject network data processors to certain statutory obligations, including but not limited to: (i) network data processors shall, in accordance with the provisions of laws and administrative regulations and the mandatory requirements of national standards, and on the basis of classified protection of cyber security, strengthen the protection of network data security, establish and perfect the system of network data security management, and take technical measures such as encryption, backup, access control and security authentication as well as other necessary measures to protect network data from being falsified, destroyed, divulged or illegally acquired or used, dispose of network data security incidents, prevent illegal and criminal activities aiming at and using network data, and assume primary responsibility for the security of the network data processed by them; and (ii) data processors processing personal information of more than 10 million users shall specify the person in charge of network data security and the management body for network data security. On December 6, 2025, the CAC released the Measures for Network Data Security Risk Assessment (Draft for Comments) for public opinions until January 5, 2026. The draft introduces a tiered assessment framework: data processors handling important data are required to conduct a risk assessment at least annually, with additional ad hoc assessments triggered by material changes affecting data security, while processors of general data are encouraged to conduct assessments at least once every three years.

On March 22, 2024, the CAC promulgated the Provisions on Facilitating and Regulating Cross-border Data Flow, effective on the same date. The provisions require data processors to identify and declare important data in accordance with the regulations, and provide that, unless the competent departments or areas so notify or publicly release certain data as important data, the data processors do not need to apply for security assessment for outbound important data transfer for such data. The provisions set forth various circumstances exempted from application for security assessment for outbound data transfer, execution of a standard contract for personal information outbound transfer and passing of the certification for personal information protection. To the extent in compliance with the national data classification and hierarchical protection system framework, the provisions allow the pilot free trade zones to promulgate their own negative list of data requiring application for security assessment for outbound data transfer, execution of a standard contract for personal information outbound transfer or passing of the certification for personal information. The provisions further provide for, subject to exemptions set forth therein and negative lists of pilot free trade zones, circumstances requiring application for security assessment for outbound data transfer, execution of a standard contract for personal information outbound transfer or passing of the certification for personal information protection. A data processor intending to implement outbound data transfer under the following circumstances should apply for security assessment to the CAC: (i) a critical information infrastructure operator intending to provide personal information or important data abroad; or (ii) a data processor that is not a critical information infrastructure operator intending to provide important data abroad, or has since January 1st of the current year cumulatively provided personal information (excluding sensitive personal information) of over one million individuals, or sensitive personal information of over 10,000 individuals, abroad. For any data processors other than the critical information infrastructure operators who have since January 1st of the current year cumulatively provided personal information (excluding sensitive personal information) of over 100,000 and less than one million individuals, or sensitive personal information of less than 10,000 individuals abroad, should execute a standard contract for outbound transfer of personal information with the recipient abroad or pass the certification for personal information protection. The approval for security assessment for outbound data transfer is valid for three years and may be applied for extension if the data processors need to carry on its outbound data transfer activities and there occurs no circumstance requiring re-application for security assessment for outbound data transfer. To the extent that any provision set forth in the Measures for the Security Assessment of Cross-Border Data Transmission and Provisions on the Standard Contract for Personal Information Outbound Transfer is inconsistent with the provisions set forth in the provisions, the provisions prevail.

According to the official answers to press questions relating to the Provisions on Facilitating and Regulating Cross-border Data Flow, (i) for outbound data transfer activities with approved security assessment prior to the implementation of the provisions, the data processor may carry on such activities in accordance with its security assessment application, (ii) for outbound data transfer activities that failed or partially failed the security assessment prior to the implementation of the provisions yet are exempted from security assessment in accordance with the provisions, the data processor may conduct such activities by executing a standard contract for outbound transfer of personal information or passing the certification for personal information protection, and (iii) for outbound data transfer activities that applied for security assessment or submitted filing for standard contract for outbound transfer of personal information prior to the implementation of the provisions, yet are exempted from such procedures in accordance with the provisions, the data processor may proceed with its previous assessment or filing or withdraw its assessment or filing.

On October 14, 2025, the CAC, together with the SAMR, issued the Measures for Certification of Cross-Border Transfer of Personal Information, which took effect on January 1, 2026, providing further guidance and regulatory requirements on the certification mechanism for protecting personal information in cross-border transfers, establishing a third-party certification mechanism for qualifying entities to lawfully transfer personal information overseas and offering detailed implementation rules and regulatory clarity on this certification route under the Personal Information Protection Law.

On September 24, 2024, the State Council published the Data Security Regulations, which became effective on January 1, 2025. The Data Security Regulations provide that data processors conducting the data processing activities that affect or may affect national security shall apply for cybersecurity review in accordance with the relevant laws and regulations. The Data Security Regulations subject network data processors to certain statutory obligations, including but not limited to: (i) network data processors shall, in accordance with the provisions of laws and administrative regulations and the mandatory requirements of national standards, and on the basis of classified protection of cyber security, strengthen the protection of network data security, establish and perfect the system of network data security management, and take technical measures such as encryption, backup, access control and security authentication as well as other necessary measures to protect network data from being falsified, destroyed, divulged or illegally acquired or used, dispose of network data security incidents, prevent illegal and criminal activities aiming at and using network data, and assume primary responsibility for the security of the network data processed by them; and (ii) data processors processing personal information of more than 10 million users shall specify the person in charge of network data security and the management body for network data security.

Regulations Relating to Internet Privacy

PRC government authorities enacted laws and regulations on internet use to protect personal information from any unauthorized disclosure. PRC law does not prohibit internet content provision operators from collecting and analyzing personal information from their users. However, the Administrative Measures on Internet Information Services prohibits an internet content provision operator from insulting or slandering a third party or infringing the lawful rights and interests of a third party.

The Several Provisions on Regulating the Market Order of Internet Information Services, which were promulgated by the MIIT on December 29, 2011 and became effective on March 15, 2012, stipulate that internet content provision operators must not collect user personal information without user consent. User personal information is defined as user information that can be used alone or in combination with other information to identify the user, and may not provide any such information to third parties without prior user consent. Internet content provision operators may only collect user personal information necessary to provide their services and must expressly inform the users of the method, content and purpose of the collection and processing of such user personal information. In addition, an internet content provision operator may only use such user personal information for the stated purposes under the internet content provision operator's scope of service. Internet content provision operators are also required to ensure the proper security of user personal information and take immediate remedial measures if user personal information is suspected to have been disclosed. If the consequences of any such disclosure are expected to be serious, ICP operators must immediately report the incident to the telecommunications regulatory authority and cooperate with the authorities in their investigations.

On December 28, 2012, the Standing Committee of the National People's Congress promulgated the Decision of the Standing Committee of the National People's Congress on Strengthening Online Information Protection with immediate effect. The decision provides that, among others, internet service providers shall abide by the principles of legality, legitimacy and necessity, clearly state the purpose, method and scope of the collection and use of information, obtain the consent of the person whose information is being collected when collecting and using a citizen's personal information during business activities, and shall not violate the provisions of laws and regulations or the agreement between the parties when collecting and using information.

On July 16, 2013, the MIIT issued the Order for the Protection of Telecommunication and Internet User Personal Information, which came into effect on September 1, 2013. The majority of the requirements under the order relevant to internet content provision operators are consistent with pre-existing requirements, but they are often more stringent and expansive in scope. If an internet content provision operator wishes to collect or use personal information, it may do so only if such collection is necessary for the services it provides. Furthermore, it must disclose to its users the purpose, method and scope of any such collection or use, and must obtain consent from its users whose information is being collected or used. Internet content provision operators are also required to establish and publish their rules relating to personal information collection or use, keep any collected information strictly confidential, and take technological and other measures to maintain the security of such information. Internet content provision operators are required to cease any collection or use of the user personal information, and de-register the relevant user account, when a given user stops using the relevant internet service. Internet content provision operators are further prohibited from divulging, distorting or destroying any such personal information, or selling or providing such information unlawfully to other parties.

The PRC Cybersecurity Law imposes specific data protection obligations on network operators, including not disclosing, tampering with, or damaging users' personal information that they have collected, as well as the obligation to delete unlawfully collected information and to correct any inaccuracies. Moreover, internet operators are prohibited from providing users' personal information to others without users' consent. Information irreversibly processed to preclude identification of specific individuals is exempt from these rules. Also, the law introduces breach notification requirements that will be applicable to breaches involving personal information.

On February 4, 2015, the CAC promulgated the Provisions on the Administration of Account Names of Internet Users, which became effective on March 1, 2015. These provisions set forth the authentication requirements for the real identity of internet users by requiring users to provide their real names during the registration process. In addition, these provisions specify that internet information service providers are required by these provisions to accept public supervision, and promptly remove illegal and malicious information in account names, profile photos, introductions and other registration-related information reported by the public in a timely manner.

On January 23, 2019, the Office of the Central Cyberspace Affairs Commission, the MIIT, the Ministry of Public Security, and the SAMR jointly issued the Notice on Special Governance of Illegal Collection and Use of Personal Information via Apps, which restates the requirements of legal collection and use of personal information, encourages app operators to conduct security certifications, and encourages search engines and APP stores to clearly mark and recommend those certified Apps.

On August 22, 2019, the CAC issued the Regulations on Cyber Protection of Children's Personal Information effective on October 1, 2019. Pursuant to these regulations, network operators are required to establish special policies and user agreements to protect children's personal information, and to appoint special personnel in charge of protecting children's personal information. Network operators who collect, use, transfer or disclose personal information of children are required to, in a prominent and clear way, notify and obtain consent from children's guardians.

On November 28, 2019, the CAC, MIIT, the Ministry of Public Security and the SAMR jointly issued the Measures to Identify Illegal Collection and Usage of Personal Information by Apps, which list six types of illegal collection and usage of personal information, including "not publishing rules on the collection and usage of personal information" and "not providing privacy rules."

Pursuant to the Ninth Amendment to the PRC Criminal Law, issued by the Standing Committee of the National People's Congress on August 29, 2015, becoming effective on November 1, 2015, any internet service provider that fails to fulfill its obligations related to internet information security administration as required under applicable laws and refuses to rectify upon orders shall be subject to criminal penalty. In addition, Interpretations of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues Concerning the Application of Law in the Handling of Criminal Cases Involving Infringement of Personal Information, issued on May 8, 2017, becoming effective on June 1, 2017, clarify certain standards for the conviction and sentencing of the criminals in relation to personal information infringement. In addition, on May 28, 2020, the National People's Congress adopted the PRC Civil Code, which came into effect on January 1, 2021. Pursuant to the PRC Civil Code, personal information of a natural person shall be protected by the law. Any organization or individual shall legally obtain personal information of others when necessary and ensure the safety of such information and shall not illegally collect, use, process or transmit personal information of others, or illegally purchase or sell, provide or make public personal information of others.

The MIIT issued the Notice on the Further Special Rectification of App Infringing upon Users' Personal Rights and Interests on July 22, 2020, which requires that certain conducts of app service providers should be inspected, including, among others, (i) collecting or using personal information without the user's consent, collecting or using personal information beyond the necessary scope of providing services, and forcing users to receive advertisements; (ii) requesting user's permission in a compulsory and frequent manner, or frequently launching third- parties apps; and (iii) deceiving and misleading users into downloading apps or providing personal information. It also sets forth that the period for the regulatory specific inspection on apps and that the MIIT will order the non-compliant entities to modify their business within five business days, or otherwise the MIIT will make public announcement, remove the apps from the app stores or impose other administrative penalties.

On June 1, 2021, the Law of the PRC on the Protection of Minors (2020 Revision), promulgated by the Standing Committee of the National People's Congress, became into effect, specifying stringent requirements for the protection of minors' information.

On August 20, 2021, the Standing Committee of the National People's Congress promulgated the PRC Personal Information Protection Law, which became effective on November 1, 2021. The PRC Personal Information Protection Law sets out specific regulations for handling sensitive personal information which includes personal information that, if leaked or illegally used, may easily harm the dignity of individuals or grave harm to personal or property security, encompassing information related to biometric characteristics, financial accounts, individual location tracking, and the personal information of minors under the age of 14. Personal information handlers shall bear responsibility for their personal information handling activities and adopt the necessary measures to safeguard the security of the personal information they handle. Otherwise, the personal information handlers will be ordered to correct or suspend or terminate the provision of services, confiscation of illegal income, fines or other penalties.

On September 17, 2021, the CAC, together with eight other government authorities, jointly issued the Guidelines on Strengthening the Comprehensive Regulation of Algorithms for Internet Information Services. The guidelines provide that daily monitoring of data use, application scenarios, and effects of algorithms must be carried out by the applicable regulators, and the regulators should conduct security assessments of algorithms. The guidelines also provide that an algorithm filing system should be established, and classified security management of algorithms should be promoted.

On December 31, 2021, the CAC, the MIIT, the Ministry of Public Security, and the SAMR jointly promulgated the Administrative Provisions on Internet Information Service Algorithm Recommendation, which took effect on March 1, 2022. The Administrative Provisions on Internet Information Service Algorithm Recommendation, among others, implements classification and hierarchical management for algorithm recommendation service providers based on various criteria, requires algorithm recommendation service providers to inform users of their provision of algorithm recommendation services in a conspicuous manner, and publicize the basic principles, purpose intentions, and main operating mechanisms of algorithm recommendation services in an appropriate manner, and requires such service providers to provide users with options that are not specific to their personal profiles, or convenient options to cancel algorithmic recommendation services.

On June 27, 2022, the CAC promulgated the Provisions on the Administration of Account Names Information of Internet Users effective on August 1, 2022. Pursuant to these provisions, internet user account service platforms shall, among others, establish, improve, and strictly implement account name information management system, information content security system, and personal information protection system, along with an account name information dynamic check patrol system for the verification of identity information.

On February 12, 2025, the CAC published the Administrative Measures for Personal Information Protection Compliance Audit, which came into force on May 1, 2025. Under these measures, personal information processors handling the personal data of more than 10 million individuals are required to conduct a compliance audit at least once every two years. Those processing the personal information of over 1 million individuals must appoint a dedicated officer responsible for overseeing compliance audits of personal information protection. Additionally, personal information processors operating important internet platforms with a large user base and complex business models must establish an independent institution, primarily composed of external personnel, to oversee compliance audits related to personal information protection. Upon completion of the compliance audit, personal information processors must submit the resulting compliance audit report to the relevant protection authorities. Violations of these measures will be penalized in accordance with the PRC Personal Information Protection Law, the Regulations on Network Data Security, and other applicable laws and regulations. If a violation constitutes a crime, the processor shall be held criminally liable.

On November 22, 2025, the CAC and the Ministry of Public Security jointly issued the Protection of Personal Information by Large-Scale Online Platforms (Draft for Comments). According to this draft, the national cyberspace administration, in collaboration with the Ministry of Public Security and other relevant authorities, is tasked with formulating and dynamically updating a catalogue of large-scale online platforms. The determination of such platforms will primarily consider the following factors: (i) having 50 million or more registered users or more than 10 million monthly active users; (ii) providing essential network services or operating across multiple business sectors; (iii) processing data that, if leaked, tampered with, or damaged, could significantly affect national security, economic stability, or public livelihood; and (iv) other circumstances specified by the national cyberspace administration and the Ministry of Public Security. Large-scale online platforms falling under this category must appoint a management personnel responsible for personal information protection, who must be a Chinese national without permanent residency status abroad and with no less than five years of relevant experience. Such platforms are also required to conduct personal information protection compliance audits and risk assessments, either internally or through third-party professional institutions, and must promptly address any issues identified.

Regulations Relating to Online Live Streaming Services

On November 4, 2016, the CAC issued the Administrative Regulations on Online Live Streaming Service, effective on December 1, 2016, pursuant to which, all online livestreaming service providers must take various measures during operation of live streaming services, including but not limited to: (i) establishment of platforms for reviewing live streaming content, conducting classification, and grading management according to the online live streaming content categories, user scale, and others, and adding tags to graphics, video, audio, or broadcast tag information for platforms; (ii) conducting verification on online live streaming users with valid identification information (e.g., authentic mobile phone numbers) and validating the registration of online live streaming publishers based on their identification documents (such as identity documents, business licenses, and organization code certificates); (iii) examining and verifying the authenticity of the identification information of online live streaming service publishers, classifying and filing such identification information records with the internet information offices at the provincial level where they are located and providing such information to applicable law enforcement departments upon legal request; (iv) entering into a service agreement with the users of online live streaming services of which the essential clauses should be under guidance of internet information offices at the provincial level, to clarify the rights and obligations of the parties and require them to comply with the laws, regulations, and platform conventions; and (v) establishment of a credit-rating system and a blacklist system, to provide management and services according to such credit rating, prohibiting the re-registration of accounts by online live streaming service users on the blacklist, and promptly reporting such users to the internet information offices.

According to the Administrative Regulations on Online Live Streaming Services, online live streaming service providers and online live streaming publishers that provide internet news information services without licenses, or exceed the scope of their licenses, shall be subject to punishment by the CAC and its provincial counterparts which may include an order to cease such services and a fine of RMB10,000 to RMB30,000. Other violations of the Administrative Regulations on Online Live Streaming Services are subject to punishment by the national and local internet information offices. Furthermore, any violations that constitute criminal offenses may result in criminal investigations or penalties being enforced.

On September 2, 2016, the State Administration of Press, Publication, Radio, Film and Television issued the Circular of the State Administration of Press, Publication, Radio, Film and Television on Issues Concerning Strengthening the Administration of Online Live Streaming of Audio-Visual Programs. According to the circular, appropriate Audio-Visual Permit is a prerequisite for online audio-visual live streaming of general cultural events of social communities, sports events, important political, military, economic, social, and cultural events. Information about specific activities to be streamed shall be filled in advance to the provincial counterparts of the State Administration of Press, Publication, Radio, Film and Television. Online audio-visual live streaming service providers shall censor and tape such programs and retain them for at least 60 days for future check by the administrative departments; and they shall have an established emergency reaction plan in place to replace programs in violation of laws and regulations. Bullet-screen comments shall be forbidden in the live streaming of important political, military, economic, social, sports, and cultural events. Special censor shall be appointed for bullet-screen comments in the live streaming of general cultural events of social communities and sports events. Hosts, guests, and targets hired or invited by online audio-visual live streaming programs shall meet the following requirements: (i) patriotic and law-abiding; (ii) good public reputation and social image, no scandals and no misdeeds; (iii) dress, hairstyle, language, and actions are consistent with public order and good morals, and not drawing topics with vulgar contents or contents inappropriate to discuss in public.

According to the Measures for the Administration of Cyber Performance Business Operations, which were promulgated by the Ministry of Culture on December 2, 2016 and became effective on January 1, 2017, a cyber-performance business entity engaging in cyber performance business operations shall, in accordance with the Interim Administrative Provisions on Internet Culture, submit an application to the cultural administrative department at the provincial level for an Internet Cultural Business License, and the license shall specify the scope of its cyber performance. A cyber-performance business entity shall indicate the number of its Internet Cultural Business License in a conspicuous position on its homepage. According to the 2024 Negative List, foreign investors are prohibited from investing in an entity holding an Internet Cultural Business License (except for music). Consequently, foreign investors are prohibited from investing in businesses that carry out and operate the short video and live streaming and online game via platform(s), as these businesses are deemed as businesses subject to foreign-investment prohibition by virtue of the platform's need to obtain an Internet Cultural Business License (except for music).

According to the Notice on Strengthening the Management of Internet Live Streaming Service issued by Office of the National "Anti- pornography and Anti-illegal" Working Group, the MIIT, the Ministry of Public Security, the Ministry of Culture and Tourism, the National Radio and Television Administration, and the CAC on August 1, 2018, live streaming service providers shall perform website ICP filing procedures with the competent telecommunication department according to law, and live streaming service providers involved in operating telecommunication business and internet news information, network performance, live streaming of audio-visual programs and other businesses shall apply to the departments to obtain licenses for telecommunication business operation, internet news information services, network culture operation, and Audio-Visual Permit, etc., and within 30 days of the live streaming service going online, shall carry out public security registration procedures in accordance with regulations with the public security authorities.

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

According to the Guiding Opinions on Strengthening the Standardized Management of Network Live Broadcasting issued by CAC, Office of the National "Anti-pornography and Anti-illegal" Working Group, the MIIT, the Ministry of Public Security, the Ministry of Culture and Tourism, the SAMR and National Radio and Television Administration on February 9, 2021, live streaming platforms that carry out business- oriented network performance activities must hold the Internet Cultural Business License and carry out an ICP filing; live streaming platforms that carry out internet audio-visual program services must hold the Audio-Visual Permit (or complete the registration in the national internet audio-visual platforms information registration and management system) and carry out an ICP filing; live streaming platforms that carry internet news information service must hold internet news information service license. Live streaming platforms shall file with local cyberspace administration office in a timely manner and shall cancel its filing immediately after it ceases to provide live streaming services.

The Law of the PRC on the Protection of Minors (2020 Revision), which was promulgated on October 17, 2020 and became effective on June 1, 2021, provide that, among others, internet live streaming service providers shall not provide minors under age 16 with online live streaming publisher account registration service, and must obtain the consent from parents or guardians and verify the identity of the minors before allowing minors aged 16 or above to register live streaming publisher accounts.

The Regulation on the Protection of Minors in Cyberspace, which were promulgated on October 16, 2023 and became effective on January 1, 2024, provide that, among others, network product and service providers should establish a sound mechanism for early warning, identification and monitoring, and handling of cyberbullying acts. Besides, efforts should be made to protect the privacy information of minors. Personal information processors should strictly limit the access to minors' personal information, and conduct personal information compliance audit.

On December 26, 2025, the CAC, in conjunction with seven other government authorities, released the Measures for the Classification of Online Information Which May Affect the Physical and Mental Health of Minors. These measures identify four categories of online information that may harm minors, including: (i) information that may encourage minors to mimic or engage in misconduct; (ii) information that may negatively influence minors' values; (iii) information involving the inappropriate use of minors' images; and (iv) information pertaining to the improper disclosure or use of minors' personal information. The Measures also place specific obligations on network product and service providers. Notably, online information that could adversely affect minors' physical and mental health must not appear in internet products or services specifically targeting minors. Such information is also prohibited from being displayed prominently in locations such as homepages, pop-up windows, hot search lists, or recommendations. Providers of algorithmic recommendation and generative AI services are required to establish comprehensive security management systems and implement technical measures to prevent the dissemination of such information.

Regulations on Internet Medicine Information Services

In accordance with the Provisions on the Administration of Internet Medicine Information Services issued by the State Food and Drug Administration, as most recently revised in November 2017, enterprises that publish medicine-related information must first obtain a qualification certificate from the provincial-level food and drug administration before applying for an ICP license or filing with the MIIT or its corresponding provincial counterpart. Additionally, the Drug Administration Law, as last amended by the Standing Committee on August 26, 2019, and effective December 1, 2019, stipulates that ICP service operators providing information on medicines or medical devices are required to obtain an Internet Medicine Information Service Qualification Certificate from the relevant provincial-level authority. On December 19, 2025, the National Medical Products Administration issued the Regulations on the Filing Administration of Internet Medicine or Medical Device Information Services. Under these regulations, providers of information services related to medicines or medical devices must complete the filing procedures with the appropriate provincial-level drug regulatory authority and secure a filing number prior to commencing services.

Regulations Relating to Companies

The establishment, operation and management of corporate entities in China are governed by the PRC Company Law, which was promulgated on December 29, 1993 and last amended on December 29, 2023. Under the PRC Company Law, companies are generally classified into two categories: limited liability companies and limited companies by shares. The PRC Company Law is also applicable to foreign-invested limited liability companies. However, if other laws regarding foreign investment have established different provisions, these laws shall prevail. The latest amendment of the PRC Company Law will become effective on July 1, 2024. The amendment mainly improves the establishment and exit mechanism of companies, optimizes the organizational structure of companies, specifies shareholder rights, enhances the capital system of companies, and increases the responsibilities of controlling shareholders and management personnel. The amendment imposes a more stringent timeline on capital contributions, requiring the shareholders of a PRC company to pay their subscribed capital within five years from the establishment of the company. In addition, on July 1, 2024, the State Council of the PRC issued the Provisions on Implementing the Registered Capital Registration and Management System under the PRC Company Law, which further specify the detailed requirements and measures of the registration and management of registered capital under the amended PRC Company Law. Pursuant to such provisions, there should be a three-year interim period from July 1, 2024 to June 30, 2027 for the existing companies to adjust their periods of capital contribution. If the period of capital contribution of a company established before the effective date of the amended PRC Company Law exceeds the period prescribed under the Amended PRC Company Law, such company should make an adjustment within the foregoing interim period to meet the requirements under the Amended PRC Company Law. As such, we may need to fulfill capital contribution obligations to our subsidiaries or provide financial support to the nominee shareholders of the VIEs within a much shorter time frame than we are currently required.

Regulations Relating to Foreign Investment

Investment activities in the PRC by foreign investors are principally governed by the Catalog of Industries for Encouraging Foreign Investment, or the Encouraging Catalog, and the Special Administrative Measures (Negative List) for Foreign Investment Access, or the Negative List, which were promulgated and amended from time to time by the Ministry of Commerce and the NDRC, and together with the Foreign Investment Law, and their respective implementation rules and ancillary regulations. The Encouraging Catalog and the Negative List lay out the basic framework for foreign investment in China, classifying businesses into three categories with regard to foreign investment: “encouraged,” “restricted,” and “prohibited.” Industries not listed in the Catalog are generally deemed as falling into a fourth category “permitted” unless specifically restricted by other PRC laws.

On September 6, 2024, the Ministry of Commerce and the NDRC released the 2024 Negative List effective on November 1, 2024, to replace the previous Negative List. On October 26, 2022, the Ministry of Commerce and the NDRC released the Catalog of Industries for Encouraging Foreign Investment (2022 Version) effective on January 1, 2023, to replace the previous Encouraging Catalog.

On March 15, 2019, the National People’s Congress promulgated the PRC Foreign Investment Law effective on January 1, 2020. Pursuant to the Foreign Investment Law, “foreign investments” refer to investment activities conducted by foreign investors directly or indirectly in China, which include any of the following circumstances: (i) foreign investors setting up foreign-invested enterprises in China solely or jointly with other investors, (ii) foreign investors obtaining shares, equity interests, property portions or other similar rights and interests of enterprises within China, (iii) foreign investors investing in new projects in China solely or jointly with other investors, and (iv) investment of other methods as specified in laws, administrative regulations, or as stipulated by the State Council.

According to the Foreign Investment Law, foreign investment shall enjoy pre-entry national treatment, except for foreign invested entities that operate in industries deemed to be either "restricted" or "prohibited" in the Negative List. The Foreign Investment Law provides that foreign invested entities operating in foreign "restricted" or "prohibited" industries will require entry clearance and other approvals. The Foreign Investment Law does not comment on the concept of "de facto control" or contractual arrangements with variable interest entities, however, it has a catch-all provision under definition of "foreign investment" to include investments made by foreign investors in China through means stipulated by laws or administrative regulations or other methods prescribed by the State Council. Therefore, it still leaves leeway for future laws, administrative regulations or provisions to provide for contractual arrangements as a form of foreign investment.

The Foreign Investment Law also provides several protective rules and principles for foreign investors and their investments in China, including, among others, that local governments shall abide by their commitments to the foreign investors; foreign-invested enterprises are allowed to issue stocks and corporate bonds; except for special circumstances, in which case statutory procedures shall be followed and fair and reasonable compensation shall be made in a timely manner, expropriate or requisition the investment of foreign investors is prohibited; mandatory technology transfer is prohibited, allows foreign investors' funds to be freely transferred out and into the PRC territory, which run through the entire lifecycle from the entry to the exit of foreign investment, and provide an all-around and multi-angle system to guarantee fair competition of foreign-invested enterprises in the market economy. In addition, foreign investors or the foreign investment enterprise should be imposed legal liabilities for failing to report investment information in accordance with the requirements. Furthermore, the Foreign Investment Law provides that foreign invested enterprises established according to the existing laws regulating foreign investment may maintain their structure and corporate governance within five years after the implementation of the Foreign Investment Law, which means that foreign invested enterprises may be required to adjust the structure and corporate governance in accordance with the current PRC Company Law and other laws and regulations governing the corporate governance.

Along with the Foreign Investment Law, the Implementing Rules of Foreign Investment Law promulgated by the State Council and the Interpretation of the Supreme People's Court on Several Issues Concerning the Application of the Foreign Investment Law promulgated by the Supreme People's Court became effective on January 1, 2020. The Implementing Rules of Foreign Investment Law further clarify that the state encourages and promotes foreign investment, protects the lawful rights and interests of foreign investors, regulates foreign investment administration, continues to optimize foreign investment environment, and advances a higher-level opening.

On December 30, 2019, the Ministry of Commerce and the SAMR jointly promulgated the Measures for Information Reporting on Foreign Investment effective on January 1, 2020. Pursuant to the Measures for Information Reporting on Foreign Investment, if a foreign investor carries out investment activities in China directly or indirectly, the foreign investor or the foreign-invested enterprise shall submit the investment information to the competent commerce department.

Regulations Relating to Dividend Distribution

The principal laws and regulations governing the distribution of dividends by foreign-invested enterprises in China include the PRC Company Law and the PRC Foreign Investment Law. According to the current regulatory regime in the PRC, foreign-invested enterprises in China are permitted to pay dividends only from their accumulated profit, if any, as determined in accordance with PRC accounting standards and regulations. A PRC company is required to allocate a minimum of 10% of its after-tax profit to general reserves until the total of such reserves reaches 50% of its registered capital. Furthermore, a PRC company is prohibited from distributing any profits until any losses from previous fiscal years have been offset.

Regulations Relating to Intellectual Property

Copyright

The PRC has enacted various laws and regulations relating to the protection of copyright. China is a signatory to some major international conventions on protection of copyright and became a member of the Berne Convention for the Protection of Literary and Artistic Works in October 1992, the Universal Copyright Convention in October 1992, and the Agreement on Trade-Related Aspects of Intellectual Property Rights upon its accession to the World Trade Organization in December 2001.

The PRC Copyright Law, promulgated by the Standing Committee of the National People's Congress on September 7, 1990 and last amended on November 11, 2020, becoming effective on June 1, 2021, along with its related implementing regulations issued by the State Council on August 2, 2002 and last amended on January 30, 2013, becoming effective on March 1, 2013, provides that Chinese citizens, legal persons, or other organizations shall, whether published or not, enjoy copyright in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software. The purpose of the PRC Copyright Law aims to encourage the creation and dissemination of works which is beneficial for the construction of socialist spiritual civilization and material civilization and promote the development and prosperity of Chinese culture.

Under the Regulations on Protection of the Right to Network Dissemination of Information, which took effect on July 1, 2006 and was amended on January 30, 2013, an internet information service provider may be held liable under various situations. This includes scenarios where the provider knows or reasonably should have known about a copyright infringement through the internet and fails to take measures to remove, block, or disconnect links to the relevant content, and where the internet information service provider, even in the absence of awareness of the infringement, fails to take such measures upon receipt of the copyright holder's notice of infringement. The internet information service provider may be exempted from indemnification liabilities under the following circumstances:

(i) any internet information service provider that provides automatic internet access service upon instructions from its users or provides automatic transmission service for works, performances and audio/visual products provided by its users is not required to assume indemnification liabilities if (a) it has not chosen or altered the transmitted works, performance and audio/visual products and (b) it provides such works, performances and audio/visual products to the designated users and prevents any person other than such designated users from obtaining access;

(ii) any internet information service provider that, for the sake of improving network transmission efficiency, automatically stores and provides to its own users the relevant works, performances and audio/visual products obtained from any other internet information service providers, is not required to assume the indemnification liabilities if (a) it has not altered any of the works, performances or audio/visual products that are automatically stored; (b) it has not affected such original internet information service provider in holding the information about where the users obtain the relevant works, performances and audio/visual products; and (c) when the original internet information service provider revises, deletes or shields the works, performances and audio/visual products, it will automatically revise, delete or shield the same;

(iii) any internet information service provider that provides its users with information memory space for such users to provide the works, performances and audio/visual products to the general public via an informational network is not required to assume the indemnification liabilities if (a) it clearly indicates that the information memory space is provided to the users and publicizes its own name, contact person and web address; (b) it has not altered the works, performances and audio/visual products that are provided by the users; (c) it is not aware of or has no justified reason to know that the works, performances and audio/visual products provided by the users infringe upon the copyrights of others; (d) it has not directly derived any economic benefit from the providing of the works, performances and audio/visual products by its users; and (e) after receiving a notice from the copyright holder, it promptly deletes the allegedly infringing works, performances and audio/visual products pursuant to the regulation;

(iv) an internet information service provider that provides its users with search engine or link services should not be required to assume the indemnification liabilities if, after receiving a notice from the copyright holder, it disconnects the link to the allegedly infringing works, performances and audio/visual products pursuant to the regulation, unless it is aware of or should reasonably have known the infringement.

The Measures on Administrative Protection of Internet Copyright, which were promulgated by the Ministry of Information Industry, the predecessor of the MIIT, and National Copyright Administration on April 29, 2005 and became effective on May 30, 2005, provide that an internet information service provider shall take measures to remove the relevant contents, record relevant information after receiving the notice from the copyright owner that some content communicated through internet infringes upon his/its copyright and preserve the copyright owner's notice for 6 months. If an internet information service provider is clearly aware of an internet content provider's tortuous act of infringing upon another's copyright through internet or fails to take measures to remove relevant contents after receipt of the copyright owner's notice although it is not clearly aware of the infringing act, which results in harm to public benefits, the internet information service provider shall be ordered to stop its infringing act, and may be imposed of confiscation of the illegal proceeds and a fine of not more than 3 times the illegal business amount; if the illegal business amount is difficult to be calculated, a fine of not more than RMB100,000 may be imposed.

The Notice on Regulating Copyright Order of Internet Reproduction issued by the National Copyright Administration on April 17, 2015 includes the following four major points: (i) clarifying certain important issues related to internet copyrights in existing laws and regulations, including the definition of news, clarify statutory licenses that are not applicable to internet copyrights and prohibit the distortion of title and work intent; (ii) guiding the press and media to further improve the internal management of copyrights, especially requesting the press to clarify the copyright sources of their content; (iii) encouraging the press and internet media to actively carry out copyright cooperation; and (iv) calling for the copyright administrations at all levels to strictly implement copyright supervision.

The Computer Software Copyright Registration Measures, promulgated by the National Copyright Administration on February 20, 2002, regulate registrations of software copyright, exclusive licensing contracts for software copyright and transfer contracts. The National Copyright Administration shall be the competent authority for the nationwide administration of software copyright registration and the PRC Copyright Protection Center, is designated as the software registration authority. The PRC Copyright Protection Center shall grant registration certificates to the Computer Software Copyrights applicants which conforms to the provisions of both the Computer Software Copyright Registration Measures and the Computer Software Protection Regulations (2013 Revision).

The Provisions of the Supreme People's Court on Certain Issues Related to the Application of Law in the Trial of Civil Cases Involving Disputes over Infringement of the Right of Dissemination through Information Networks, which were promulgated by the Supreme People's Court on December 17, 2012 and last amended on December 29, 2020 and came into effect on January 1, 2021, provide that web users or web service providers who create works, performances or audio-video products, for which others have the right of dissemination through information networks or are available on any information network without authorization shall be deemed to have infringed upon the right of dissemination through information networks.

The Notice on Launching "Jian Wang 2020" Special Actions Against Internet Piracy and Copyright Infringement, jointly issued by National Copyright Administration, the MIIT, the Ministry of Public, and the CAC in 2020, focuses on carrying out special rectification of audio-visual works copyright and social platform copyright and consolidating the achievements of copyright management in key areas, including strengthening the rectification of the infringements such as plagiarism, adaptation and database copying in the knowledge sharing field and the copyright supervision over major knowledge-sharing platforms.

Trademark

Trademarks are protected by the PRC Trademark Law, which was promulgated on August 23, 1982 and last amended on April 23, 2019, as well as the Implementation Regulation of the PRC Trademark Law, which were adopted by the State Council on August 3, 2002 and amended on April 29, 2014. In the PRC, registered trademarks encompass commodity trademarks, service trademarks, collective marks and certification marks.

The PRC Trademark Office of National Intellectual Property Administration is responsible for the registration and administration of trademarks throughout the PRC and grants a term of ten years to registered trademarks. Trademarks are renewable every ten years where a registered trademark needs to be used after the expiration of its validity term. A registration renewal application shall be filed within twelve months prior to the expiration of the term. A trademark registrant may license its registered trademark to another party by entering into a trademark license contract. Trademark license agreements must be filed with the trademark office to be recorded. The licensor shall supervise the quality of the commodities on which the trademark is used, and the licensee shall guarantee the quality of such commodities. As with trademarks, the PRC Trademark Law has adopted a "first come, first file" principle with respect to trademark registration. Where trademark for which a registration application has been made is identical or similar to another trademark which has already been registered or been subject to a preliminary examination and approval for use on the same kind of or similar commodities or services, the application for registration of such trademark may be rejected. Any person applying for the registration of a trademark may not prejudice the existing right first obtained by others, nor may any person register in advance a trademark that has already been used by another party and has already gained a "sufficient degree of reputation" through such party's use.

Patent

Patents are protected by the PRC Patent Law, which was promulgated on March 12, 1984 and last amended on October 17, 2020 and became effective on June 1, 2021, and its Implementation Rules, which were promulgated on January 19, 1985 and last amended on December 11, 2023 by the State Council and became effective on January 20, 2024. A patentable invention or utility model must meet three conditions: novelty, inventiveness and practical applicability. Patents cannot be granted for scientific discoveries, rules and methods for intellectual activities, methods used to diagnose or treat diseases, animal and plant breeds or substances obtained by means of nuclear transformation. The Patent Office under the National Intellectual Property Administration is responsible for receiving, examining and approving patent applications. A patent is valid for a twenty-year term for an invention, a ten-year term for a utility model, and a fifteen-year term for a design. Except under certain specific circumstances provided by law, any third-party user must obtain consent or a proper license from the patent owner to use the patent, or else the use will constitute an infringement of the rights of the patent holder.

Domain Names

Domain names are protected under the Administrative Measures on the Internet Domain Names promulgated by the MIIT on August 24, 2017. The MIIT is the major regulatory body responsible for the administration of the PRC internet domain names, under supervision of which the China Internet Network Information Center is responsible for the daily administration of.cn domain names and Chinese domain names. China Internet Network Information Center adopts the "first to file" principle with respect to the registration of domain names. In November 2017, the MIIT promulgated the Notice of the MIIT on Regulating the Use of Domain Names in Providing Internet-based Information Services, which became effective on January 1, 2018. Pursuant to the notice, the domain names used by an internet-based information service provider in providing internet- based information services must be registered and owned by such provider in accordance with the law. If the internet-based information service provider is an entity, the domain name registrant must be the entity (or any of the entity's shareholders), or the entity's principal or senior manager.

Regulations Relating to Foreign Exchange

General Administration of Foreign Exchange

Under the PRC Foreign Currency Administration Rules promulgated by the State Council on January 29, 1996, and last amended on August 5, 2008 and various regulations issued by the State Administration of Foreign Exchange and other PRC government authorities, Renminbi is convertible into other currencies for the purpose of current account items, such as trade related receipts and payments, payment of interest and dividends. The conversion of Renminbi into other currencies and remittance of the converted foreign currency outside China for the purpose of capital account items, such as direct equity investments, loans and repatriation of investment, requires the prior approval from the State Administration of Foreign Exchange or its local branches. Payments for transactions that take place within China must be made in Renminbi. Unless otherwise provided by laws and regulations, PRC companies may repatriate foreign currency payments received from abroad or retain the same abroad. Foreign exchange proceeds under the current accounts may be either retained or sold to a financial institution engaging in settlement and sale of foreign exchange pursuant to the PRC rules and regulations. For foreign exchange proceeds under the capital accounts, approval from the State Administration of Foreign Exchange is required for its retention or sale to a financial institution engaging in settlement and sale of foreign exchange, except where such approval is not required under the PRC rules and regulations.

Regulations Relating to Offshore Investment

On July 4, 2014, the State Administration of Foreign Exchange promulgated the Notice of the State Administration of Foreign Exchange on Relevant Issues Concerning Foreign Exchange Administration for Domestic Residents to Engage in Overseas Investment, Financing and Round-Trip Investment via Special Purpose Vehicles, or SAFE Circular 37, which regulates the matters involving foreign exchange registration for round-trip investment. Under SAFE Circular 37, a PRC resident must register with the local counterpart of the State Administration of Foreign Exchange before contributing assets or equity interests in an offshore special purpose vehicle, that is directly established or indirectly controlled by such PRC resident for the purpose of conducting investment or financing. In addition, following the initial registration, in the event of any major change in respect of the offshore special purpose vehicle, including, among other things, a change of offshore special purpose vehicle's PRC resident shareholder(s), the name of the offshore special purpose vehicle, terms of operation, or any increase or reduction of the offshore special purpose vehicle's capital, share transfer or swap, and merger or division, the PRC resident shall complete the change of foreign exchange registration procedures for offshore investment with the local counterpart of the State Administration of Foreign Exchange. According to the procedural guideline as attached to SAFE Circular 37, the principle of review has been changed to "the domestic individual resident shall only register the offshore special purpose vehicle directly established or controlled (first level)." At the same time, the State Administration of Foreign Exchange has issued the Operation Guidance for the Issues Concerning Foreign Exchange Administration over Round-trip Investment with respect to the procedures for the registration under SAFE Circular 37, which became effective on July 4, 2014, as an attachment to SAFE Circular 37. Under applicable rules, failure to comply with the registration procedures set out in SAFE Circular 37 may result in restrictions being imposed on the foreign exchange activities of the onshore company, including the payment of dividends and other distributions to its offshore parent or affiliate, and may also subject the PRC residents to penalties under PRC foreign exchange administration regulations. PRC residents who hold any shares in the company from time to time are required to register with the State Administration of Foreign Exchange in connection with their investments in the company.

On February 13, 2015, the State Administration of Foreign Exchange promulgated the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment, or SAFE Notice 13, effective on June 1, 2015, which further amends SAFE Circular 37 by requiring domestic residents to register with qualified banks rather than the State Administration of Foreign Exchange or its local counterpart in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing.

On March 30, 2015, the State Administration of Foreign Exchange promulgated the Circular of the State Administration of Foreign Exchange on Reforming the Administration Measures on Conversion of Foreign Exchange Registered Capital of Foreign-invested Enterprises, or SAFE Circular 19, which was amended on March 23, 2023. According to SAFE Circular 19, the foreign exchange capital of foreign-invested enterprises must be subject to the Discretional Foreign Exchange Settlement, which refers to the foreign exchange capital in the capital account of a foreign-invested enterprise for which the rights and interests of monetary contribution has been confirmed by the local foreign exchange bureau (or the book-entry registration of monetary contribution by the banks) can be settled at the banks based on the actual operational needs of the foreign-invested enterprise. The proportion of Discretional Foreign Exchange Settlement of the foreign exchange capital of a foreign-invested enterprise is temporarily determined to be 100%. The Renminbi converted from the foreign exchange capital will be kept in a designated account, and if a foreign-invested enterprise needs to make further payment from such account, it still needs to provide supporting documents and go through the review process with the banks.

On June 9, 2016, the State Administration of Foreign Exchange issued the Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts, or SAFE Circular 16, which became effective on the same day. Pursuant to SAFE Circular 16, enterprises registered in China may also convert their foreign debts from foreign currency to Renminbi on a discretionary basis. SAFE Circular 16 provides an integrated standard for conversion of foreign exchange under capital account items, including but not limited to foreign currency capital and foreign debts, on a discretionary basis which applies to all enterprises registered in China. SAFE Circular 16 reiterates the principle that Renminbi converted from foreign currency-denominated capital of a company may not be directly or indirectly used for purposes beyond its business scope or prohibited by PRC laws or regulations, while such converted Renminbi shall not be provided as loans to its non-affiliated entities. On October 23, 2019, the State Administration of Foreign Exchange promulgated the Circular of the State Administration of Foreign Exchange on Further Promoting the Facilitation of Cross-Border Trade and Investment, or SAFE Circular 28, which became effective on the same day, and was later amended by the Circular on Further Deepening the Reform to Facilitate Cross-border Trade and Investment promulgated by SAFE on December 4, 2023. SAFE Circular 28 allows non-investment foreign- invested enterprises to use their capital funds to make equity investments in China as long as such investments do not violate the currently effective Negative List and the target investment projects are genuine and in compliance with laws. In addition, SAFE Circular 28 stipulates that qualified enterprises in certain pilot areas may use their capital income from registered capital, foreign debt, and overseas listing for the purpose of domestic payments without providing authenticity certifications to the banks in advance for those domestic payments.

Regulations Relating to Stock Incentive Plans

In February 2012, the State Administration of Foreign Exchange promulgated the Notices of the State Administration of Foreign Exchange on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly-Listed Company. Pursuant to this regulation, individuals participating in any stock incentive plan of any overseas publicly listed company, who are PRC citizens or non-PRC citizens who reside in China for a continuous period of not less than one year, with certain exceptions, are required to register with the State Administration of Foreign Exchange or its local branches and complete certain other procedures through a domestic qualified agent, which could be a PRC subsidiary of such overseas listed company. The participants must also retain an overseas entrusted institution to handle matters in connection with their exercise of stock options, the purchase and sale of corresponding stocks or interests, and fund transfers. In addition, the PRC agent is required to amend the registration with the State Administration of Foreign Exchange with respect to the stock incentive plan if there is any material change to the stock incentive plan, the PRC agent or the overseas entrusted institution or other material changes. On behalf of the PRC residents who have the right to exercise the employee share options, the PRC agents must submit application to the State Administration of Foreign Exchange or its local branches for an annual quota for the payment of foreign currencies in connection with the PRC residents' exercise of the employee share options. The foreign exchange proceeds received by the PRC residents from the sale of shares under the stock incentive plans granted and dividends distributed by the overseas listed companies must be remitted into the bank accounts in China opened by the PRC agents before distribution to such PRC residents. Under the Circular of the State Taxation Administration on Issues Concerning Individual Income Tax in Relation to Equity Incentives promulgated by the PRC State Taxation Administration, which became effective on August 24, 2009, listed companies and their domestic organizations shall lawfully withhold and pay individual income tax on such income according to the individual income tax calculation methods for "wage and salary income" and stock option income.

Regulations Relating to Tax

Enterprise Income Tax

The PRC Enterprise Income Tax Law and the Regulations for the Implementation of the Law on Enterprise Income Tax, or collectively, the EIT Laws, were promulgated on March 16, 2007 and December 6, 2007, respectively and were most recently amended on December 29, 2018 and December 6, 2024, respectively. According to the EIT Laws, taxpayers consist of resident enterprises and non-resident enterprises. Resident enterprises are defined as enterprises that are established in China in accordance with PRC laws, or that are established in accordance with the laws of foreign countries but whose actual or de facto control is administered from within China. Non-resident enterprises are defined as enterprises that are set up in accordance with the laws of foreign countries and whose actual administration is conducted outside China, but have established institutions or premises in China, or have no such established institutions or premises but have income generated from inside China. Under the EIT Laws and the implementing regulations, a uniform rate for enterprise income tax, or EIT, of 25% is applicable. However, if non-resident enterprises have not formed permanent establishments or premises in China, or if they have formed permanent establishment institutions or premises in China but there is no actual relationship between the income derived in China and the established institutions or premises set up by them, the enterprise income tax is, in that case, set at the rate of 10% for their income sourced from inside China.

The Notice of the State Taxation Administration Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as People's Republic of China Tax Resident Enterprises on the Basis of De Facto Management Bodies, or STA Circular 82, promulgated on April 22, 2009 and amended on January 29, 2014 and December 29, 2017, sets out the standards and procedures for determining whether the "de facto management body" of an enterprise registered outside of China and controlled by PRC enterprises or PRC enterprise groups is located within China. The Administrative Measures for Enterprise Income Tax of Chinese-Controlled Offshore Incorporated Resident Enterprises (Trial), or STA Bulletin 45, which were promulgated on July 27, 2011 and amended on June 15, 2018, further provide guidance on the implementation of STA Circular 82 and clarify certain issues in the areas of resident status determination, post-determination administration, and competent tax authorities' procedures.

According to STA Circular 82, a Chinese-controlled offshore incorporated enterprise is regarded as a PRC tax resident by virtue of having a "de facto management body" in China and subject to the EIT of PRC on its worldwide income only if all of the following criteria are met: (i) the primary location of the day-to-day operational management is in China; (ii) decisions relating to the enterprise's financial and human resource matters are made or are subject to approval by organizations or personnel in China; (iii) the enterprise's primary assets, accounting books and records, company seals, and board and shareholders meeting minutes are located or maintained in China; and (iv) 50% or more of voting board members or senior executives habitually reside in China. According to STA Bulletin 45, if provided with a copy of Chinese tax resident determination certificate from a resident Chinese controlled offshore incorporated enterprise, the payer should not withhold income tax when paying the Chinese-sourced dividends, interest, royalties, etc. to the PRC-controlled offshore incorporated enterprise.

The EIT Laws permit certain High and New Technology Enterprises to enjoy a reduced 15% EIT rate subject to these enterprises meeting certain qualification criteria and permit certain small low-profit enterprises to enjoy a reduced 20% EIT rate subject to certain conditions. In addition, applicable laws and regulations also provide that entities recognized as software enterprises are able to enjoy a tax holiday consisting of a two-year- exemption commencing from their first profitable calendar year and a 50% reduction in ordinary tax rate for the following three calendar years, while entities qualified as key software enterprises can enjoy a preferential EIT rate of 10%.

The Bulletin of the State Taxation Administration on Issues of Enterprise Income Tax on Indirect Transfers of Assets by Non-PRC Resident Enterprises, or STA Bulletin 7, was issued on February 3, 2015 and amended pursuant to the Announcement of the State Taxation Administration on Issues Concerning the Withholding of Enterprise Income Tax at Source on Non-PRC Resident Enterprises, which was issued on October 17, 2017 and amended on June 15, 2018. Pursuant to STA Bulletin 7, an "indirect transfer" of assets, including equity interests in a PRC resident enterprise, by non-PRC resident enterprises may be recharacterized and treated as a direct transfer of PRC taxable assets, if the arrangement does not have a reasonable commercial purpose and was established for the purpose of avoiding payment of PRC Enterprise Income Tax. As a result, gains derived from an indirect transfer may be subject to PRC EIT. According to STA Bulletin 7, "PRC taxable assets" include assets attributed to an establishment or a place of business in China, immoveable properties in China, and equity investments in PRC resident enterprises. In respect of an indirect offshore transfer of assets of a PRC establishment or place of business, the relevant gain is to be regarded as effectively connected with the PRC establishment or a place of business and therefore included in its EIT filing and would consequently be subject to PRC EIT at a rate of 25%. Where the underlying transfer relates to the immoveable properties in China or to equity investments in a PRC resident enterprise, which is not effectively connected to a PRC establishment or a place of business of a non-resident enterprise, a PRC EIT at 10% would apply, subject to available preferential tax treatment under applicable tax treaties or similar arrangements, and the party who is obligated to make the transfer payments has the withholding obligation. There is uncertainty as to the implementation details of STA Bulletin 7.

VAT and Business Tax

On March 20, 2019, the Ministry of Finance, the PRC State Taxation Administration, and the General Administration of Customs issued the Announcement on Policies for Deepening the VAT Reform, which came into effect on April 1, 2019. According to the announcement, (i) for general VAT payers' sales activities or imports previously subject to VAT at an existing applicable rate of 16% or 10%, the applicable VAT rate is adjusted to 13% or 9% respectively; (ii) for the agricultural products purchased by taxpayers to which an existing 10% deduction rate is applicable, the deduction rate is adjusted to 9%; (iii) for the agricultural products purchased by taxpayers for production or commissioned processing, which are subject to VAT at 13%, the input VAT is calculated at a 10% deduction rate; (iv) for the exportation of goods or labor services that are subject to VAT at 16%, with the applicable export refund at the same rate, the export refund rate is adjusted to 13%; and (v) for the exportation of goods or cross-border taxable activities that are subject to VAT at 10%, with the export refund at the same rate, the export refund rate is adjusted to 9%.

On December 25, 2024, the prevailing VAT regulations were enacted into the Value-Added Tax Law of the People's Republic of China, which came into effect on January 1, 2026. In terms of VAT rates, the existing rates of 13%, 9% and 6% remain unchanged.

Dividend Withholding Tax

The PRC Enterprise Income Tax Law provides that since January 1, 2008, an enterprise income tax rate of 10% is normally applicable to dividends declared to non-PRC resident investors which do not have an establishment or place of business in the PRC, or have an establishment or place of business in the PRC but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends are derived from sources within the PRC.

Pursuant to the Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Incomes, and other applicable PRC laws, if a Hong Kong resident enterprise is determined by the competent PRC tax authority to have satisfied the conditions and requirements under this arrangement and other applicable laws, the 10% withholding tax on the dividends the Hong Kong resident enterprise receives from a PRC resident enterprise may be reduced to 5%. However, based on the Notice of the State Taxation Administration on Issues Relating to the Implementation of Dividend Clauses in Tax Treaties issued on February 20, 2009, if the PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment. According to the Announcement of the State Taxation Administration on Issues Relating to "Beneficial Owner" in Tax Treaties, which was issued on February 3, 2018 by the STA and became effective on April 1, 2018, when determining the applicant's status of the "beneficial owner" regarding tax treatments in connection with dividends, interests or royalties in the tax treaties, several factors, including without limitation, whether the applicant is obligated to pay more than 50% of its income in twelve months to residents in third country or region, whether the business operated by the applicant constitutes the actual business activities, and whether the counterparty country or region to the tax treaties does not levy any tax or grant tax exemption on relevant incomes or levy tax at an extremely low rate, will be taken into account, and it will be analyzed according to the actual circumstances of the specific cases. This notice further provides that applicants who intend to prove his or her status of the "beneficial owner" shall submit the relevant documents to the tax bureau according to the Announcement of State Taxation Administration on Promulgation of the Administrative Measures on Non-resident Taxpayers Enjoying Treaty Benefits.

Regulations Relating to Employment and Social Welfare

The Labor Contract Law

According to the PRC Labor Law promulgated on July 5, 1994 and last amended on December 29, 2018, enterprises and institutions shall establish and improve their system of workplace safety and sanitation, strictly abide by state rules and standards on workplace safety, educate laborers in labor safety and sanitation in China. Labor safety and sanitation facilities shall comply with state-fixed standards. Enterprises and institutions shall provide laborers with a safe workplace and sanitation conditions which are in compliance with state stipulations and the articles of labor protection. The PRC Labor Contract Law, which was implemented on January 1, 2008 and amended on December 28, 2012, primarily aims at regulating employee/employer rights and obligations, including matters with respect to the establishment, performance and termination of labor contracts. Pursuant to the PRC Labor Contract Law, labor contracts shall be concluded in writing if labor relationships are to be or have been established between enterprises or institutions and the laborers. Enterprises and institutions are forbidden to force laborers to work beyond the time limit and employers shall pay laborers for overtime work in accordance with the laws and regulations. In addition, labor wages shall not be lower than local standards on minimum wages and shall be paid to laborers in a timely manner.

Social Insurance and Housing Fund

As required under the Regulation of Insurance for Labor Injury implemented on January 1, 2004 and amended on December 20, 2010, the Provisional Measures for Maternity Insurance of Employees of Corporations implemented on January 1, 1995, the Decisions on the Establishment of a Unified Program for Basic Old-Aged Pension Insurance for Employees of Corporations of the State Council issued on July 16, 1997, the Decisions on the Establishment of the Medical Insurance Program for Urban Workers of the State Council promulgated on December 14, 1998, the Unemployment Insurance Measures promulgated on January 22, 1999 and the Social Insurance Law of the PRC implemented on July 1, 2011 and amended on December 29, 2018, enterprises are obliged to provide their employees in China with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, labor injury insurance and medical insurance. These payments are made to local administrative authorities and any employer that fails to contribute may be fined and ordered to make up within a prescribed time limit.

In accordance with the Regulations on the Management of Housing Funds, which were promulgated by the State Council on April 3, 1999 and last amended on March 24, 2019, enterprises must register at the competent managing center for housing funds and upon the examination by such managing center of housing funds, these enterprises shall complete procedures for opening an account at the bank for the deposit of employees' housing funds. Enterprises are also required to pay and deposit housing funds on behalf of their employees in full and in a timely manner.

Regulations Relating to Unfair Competition and Anti-Monopoly

According to the PRC Anti-unfair Competition Law, promulgated by the Standing Committee of the National People's Congress on September 2, 1993 and last amended on June 27, 2025 and took effect on October 15, 2025, unfair competition refers to that the operator disrupts the market competition order and damages the legitimate rights and interests of other operators or consumers in violation of the provisions set forth therein in its production and operating activities. Operators shall abide by the principle of voluntariness, equality, impartiality, integrity, as well as laws and business ethics during production and operating activities. The 2025 revisions have tackled emerging forms of unfair competition within the digital economy, prohibiting business operators from leveraging data, algorithms, technology, or platform rules to influence user choices or otherwise engage in conduct that obstructs or disrupts the lawful operation of network products or services offered by other business operators. Platform operators are required to establish mechanisms for the reporting, handling of complaints, and resolution of disputes relating to unfair competition, and to guide and regulate business operators on the platform to engage in fair competition in compliance with applicable laws. Where a platform operator becomes aware of unfair competitive practices by business operators using the platform, it shall promptly take necessary measures as prescribed by law, retain relevant records, and report the matter to the competent regulatory authority.

The PRC Anti-Monopoly Law, which was promulgated by the Standing Committee of the National People's Congress in 2007 and amended on June 24, 2022 and took effect on August 1, 2022, and the Rules of the State Council on Declaration Threshold for Concentration of Undertakings promulgated by the State Council on August 3, 2008 and last amended on January 22, 2024, require that if a concentration reaches one of the following thresholds, a declaration must be lodged in advance with the anti-monopoly law enforcement agency under the State Council, or otherwise the concentration shall not be implemented: (i) during the previous fiscal year, the total global turnover of all undertakings participating in the concentration exceeded RMB12 billion, and at least two of these undertakings each had a turnover of more than RMB800 million within China; or (ii) during the previous fiscal year, the total turnover within China of all the undertakings participating in the concentration exceeded RMB4 billion, and at least two of these undertakings each had a turnover of more than RMB800 million within China. Pursuant to the Anti-Monopoly Law, operators of a concentration of undertakings which reaches the standard for declaration shall make an advance declaration to the anti-monopoly law enforcement authority under the State Council. If any business operator fails to comply with the mandatory declaration requirement, the government authority is empowered to order the operator to terminate and/or unwind the transaction, dispose of relevant assets, shares or businesses within a certain period of time and impose fines of up to 10% of its sales revenue in the previous year if the concentration of business operator has or may have an effect of excluding or limiting competition; or up to RMB5,000,000 if the concentration of business operator does not have an effect of excluding or limiting competition. The Anti-Monopoly Law also requires applicable government authorities to strengthen the examination of concentration of undertakings in certain key industries, such as national economy and people's livelihood.

In February 2021, the Anti-Monopoly Commission of the State Council published the Anti-Monopoly Guidelines for the Internet Platform Economy Sector, which provides that the calculation of turnover in the field of platform economy may be different depending on the business model of the operators: for platform operators who only provide information matchings and collect commissions, their turnovers should be calculated including the service fee charged by the platform and other platform income; for the platform operators who participate in the market competition on the platform side, their turnovers shall be calculated including the transaction amount involved in the platform and other platforms. The concentration of undertakings involving the agreement control (VIE) structure falls within the scope of the antitrust review of concentration of undertakings. Where the concentration of undertakings meets the declaration standards set by the State Council, the operators shall declare to the Anti-Monopoly Law Enforcement Agency of the State Council in advance, and the concentration shall not be implemented if the concentration is not declared.

On March 10, 2023, the SAMR further issued multiple regulations ancillary to the PRC Anti-Monopoly Law, namely, the Measures for Examination of Concentration of Undertakings, the Provisions on the Prohibition of Monopoly Agreements, the Provisions on the Prohibition of Acts of Abuse of Dominant Market Positions, and the Provisions on Curbing the Abuse of Administrative Power to Exclude or Restrict Competition. All of these regulations took effect on April 15, 2023. In addition, the SAMR issued Guidelines for Review of Horizontal Concentration of Undertakings on December 10, 2024, which took effect on the same day. These regulations have, among other things, elaborated the specific requirements under the PRC Anti-Monopoly Law, optimized the regulatory and enforcement procedures and imposed more stringent legal responsibilities on the relevant parties. Specifically, the Measures for Examination of Concentration of Undertakings have clarified the factors to be considered for the recognition of "control" and "implementation of concentration" under the review mechanism of concentration of undertakings, and elaborated the implementation rules regarding the suspension of review. According to the Measures for Examination of Concentration of Undertakings, if a concentration of undertakings does not meet the threshold for declaration, but there is evidence suggesting that it has or may have the effect of excluding or limiting competition, the SAMR may order the involved operators to file the concentration of undertakings.

On May 6, 2024, the SAMR promulgated the Interim Provisions on Anti-Unfair Competition on the Internet, which took effect on September 1, 2024. These provisions aim to strengthen the supervision of unfair competition in the Internet sector by prohibiting operators from using technical means to impede or disrupt the normal operation of legally provided internet products or services. The provisions also impose specific obligations on platform operators, including (i) refraining from imposing unreasonable restrictions or conditions on business operators using the platform through service agreements, transaction rules, or other means and (ii) taking necessary and timely measures to address unfair competition activities occurring on the platform, maintaining relevant records, and reporting to the authorities as required.

On January 28, 2026, the SAMR issued the Anti-Monopoly Compliance Guidelines for Internet Platforms to prevent and address monopolistic practices within the platform economy. The guidelines identify key risk scenarios, including algorithmic collusion, where competing platform operators are prohibited from using algorithms to coordinate behavior, such as unified pricing mechanisms or commission rates. It also prohibits platforms with market dominance from engaging in "pick one of two" practices, imposing exclusive dealing arrangements without justification, or charging unfairly high fees, such as commissions or service charges significantly exceeding those of comparable platforms. Additionally, the guidelines ban below-cost pricing strategies that use excessive subsidies or cross-subsidization to exclude competitors. These measures aim to promote fair competition and strengthen compliance in the digital economy.

On December 9, 2025, the NDRC, the SAMR, and the CAC jointly issued the Rules Governing the Pricing Behavior of Internet Platforms, which will be effective on April 10, 2026, establishing a comprehensive pricing framework applicable to both platform operators and merchants operating within such platforms. The rules expressly safeguard merchants' autonomy by permitting cross-platform price differentiation, while prohibiting platform operators from imposing uniformity through algorithmic demotion, traffic throttling, or other indirect coercive mechanisms. Additionally, platforms are barred from imposing unreasonable constraints on merchant pricing, including, but not limited to, compelling participation in discount-driven promotions, mandating that prices on the platform remain no higher than those offered through other channels, or enforcing the activation of automated price adjustment or price-following systems, thereby reinforcing protections against practices that undermine merchant pricing discretion.

M&A Rules and Overseas Listing

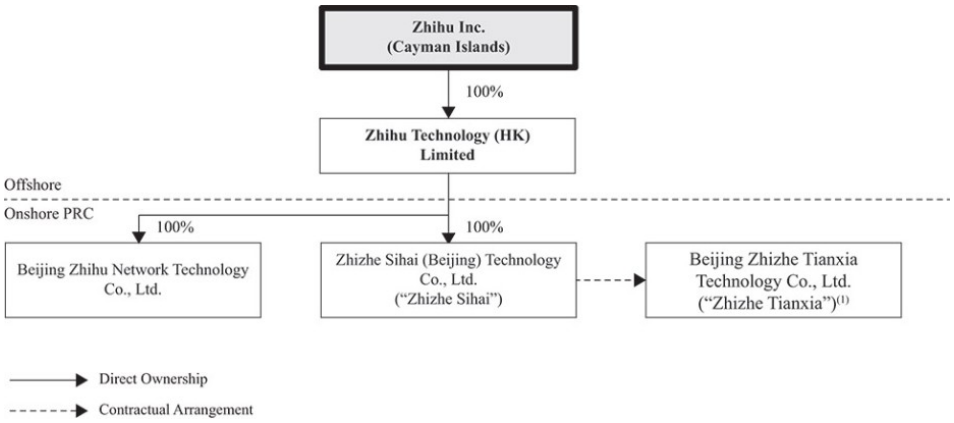
On August 8, 2006, six PRC government and regulatory authorities, including the Ministry of Commerce and the CSRC, promulgated the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, which took effect on September 8, 2006 and was amended on June 22, 2009. The Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors require, among others, that a special purpose vehicle, formed for overseas listing purposes and controlled directly or indirectly by PRC companies or individuals through acquisitions of shares of or equity interests in PRC domestic companies, must obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange.

In addition, in 2011, the General Office of the State Council promulgated the Notice on Establishing the Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the Circular 6, which officially established a security review system for mergers and acquisitions of domestic enterprises by foreign investors. To implement Circular 6, the Ministry of Commerce promulgated the Rules of the Ministry of Commerce on Implementation of Security Review System of Mergers and Acquisitions of Domestic Enterprises by Foreign Investors effective in September 2011. Under Circular 6, security review is required for mergers and acquisitions by foreign investors having "national defense and security" concerns and mergers and acquisitions by which foreign investors may acquire the "de facto control" of domestic enterprises with "national security" concerns. Under the foregoing regulations, the Ministry of Commerce will focus on the substance and actual impact of the transaction when deciding whether a specific merger or acquisition is subject to security review. If the Ministry of Commerce decides that a specific merger or acquisition is subject to a security review, it will submit it to the Inter-Ministerial Panel, an authority established under Circular 6 led by the NDRC, and the Ministry of Commerce under the leadership of the State Council, to carry out a security review. The rules prohibit foreign investors from bypassing the security review by structuring transactions through trusts, indirect investments, leases, loans, control through contractual arrangements or offshore transactions. There is no explicit provision or official interpretation stating that the merging or acquisition of a company engaged in the internet content business requires security review, and there is no requirement that acquisitions completed prior to the promulgation of the Rules of the Ministry of Commerce on Implementation of Security Review System of Mergers and Acquisitions of Domestic Enterprises by Foreign Investors are subject to the Ministry of Commerce's review. On December 19, 2020, the NDRC and the Ministry of Commerce jointly promulgated the Measures for the Security Review for Foreign Investment effective on January 18, 2021, which, among other things, set forth provisions concerning the security review mechanism on foreign investment, including the types of investments subject to review, review scopes, and procedures. Foreign investor or relevant parties in China must declare the security review to the aforesaid office prior to their investments in important cultural products and services, important information technology and internet products and services, important financial services, key technologies, and other important fields relating to national security and obtain control in the target enterprise.

On February 17, 2023, the CSRC released the Overseas Listing Trial Measures and five supporting guidelines, which took effect on March 31, 2023. According to the Overseas Listing Trial Measures, domestic companies that seek to offer or list its securities overseas, either directly or indirectly, should fulfill filing procedure with, and report relevant information to, the CSRC. If a domestic company fails to complete the filing procedure, conceals any material fact, or falsifies any major content in its filing documents, the domestic company may be subject to administrative penalties, such as order to rectify, warnings, and fines, and its controlling shareholders, actual controllers, the person directly in charge, and other directly liable persons may also be subject to administrative penalties, such as warnings and fines. Furthermore, if the issuer meets both of the following conditions, the overseas offering and listing should be determined as an indirect overseas offering and listing by a domestic company: (a) any of the total assets, net assets, revenues or profits of the domestic operating entities of the issuer in the most recent accounting year accounts for more than 50% of the corresponding figure in the issuer's audited consolidated financial statements for the same period, and (b) its major operational activities are carried out in China, its main places of business are located in China, or most of the senior management in charge of operation and management of the issuer are Chinese citizens or are domiciled in China. Additionally, the measures stipulate that if a domestic company seeks to indirectly offer and lists its securities in an overseas market, the issuer should designate a major domestic operating entity responsible for all filing procedures with the CSRC. Domestic companies that do not comply with the Overseas Listing Trial Measures by failing to perform filing procedures should be simultaneously ordered by the CSRC to make correction, receive a warning, and face a fine ranging from RMB1 million to RMB10 million. The individuals directly responsible and other accountable personnel should receive a simultaneous warning and face a fine ranging from RMB500,000 to RMB5 million.

C. Organizational Structure

The following diagram illustrates our corporate structure, including our principal subsidiaries and the VIEs as of the date of this annual report.



Notes:

(1) Yuan Zhou and Dahai Li, our director, each holds 98.941% and 0.059% of the equity interests in Zhizhe Tianxia, respectively, and Beijing Radio and Television Station, a third-party minority shareholder, holds 1% of the equity interests in Zhizhe Tianxia.

(2) Yuan Zhou and Rongle Zhang, our employee, each holds 99.0% and 1.0% of the equity interests in Wuhan Xinyue, one of the VIEs. Wuhan Xinyue and its shareholders entered into a series of contractual arrangements with our PRC subsidiary Wuhan Bofeng. Wuhan Xinyue owns, through its subsidiaries, 55% equity interests in Shanghai Pinzhi. Shanghai Pinzhi and its shareholders entered into a series of contractual arrangements with our PRC subsidiary Shanghai Zhishi. Wuhan Xinyue also wholly owns Nanjing Zhizhu Technology Co., Ltd., which wholly owns Wuhan Zhibo Wenshuo Technology Co., Ltd.

Contractual Arrangements with the VIEs and Their Shareholders

Current PRC laws and regulations impose certain restrictions or prohibitions on foreign ownership of companies that engage in value-added telecommunication services and certain other businesses. Zhihu Inc. is an exempted company with limited liability established in the Cayman Islands. To comply with PRC laws and regulations, we conduct certain of our businesses in China through Zhizhe Tianxia, Shanghai Pinzhi, and Wuhan Xinyue, the VIEs, based on a series of contractual arrangements by and among our WFOEs, the VIEs, and their shareholders.

Our contractual arrangements with the VIE and their shareholders allow us to (i) exercise effective control over the VIEs, (ii) receive substantially all of the economic benefits of the VIEs, and (iii) have an exclusive option to purchase all or part of the equity interests in the VIEs when and to the extent permitted by the PRC law.

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

In April 2024, Beijing Radio and Television Station, or BRTS, completed its investment of RMB0.2 million in Zhizhe Tianxia to acquire 1% of Zhizhe Tianxia's enlarged registered capital. BRTS is not a party to the contractual arrangements currently in effect among Zhizhe Sihai, Zhizhe Tianxia, and other shareholders of Zhizhe Tianxia. Therefore, although we still enjoy economic benefits and exercise effective control over Zhizhe Tianxia and its subsidiaries, we are unable to mandatorily purchase, or have BRTS pledge, the 1% equity interests in Zhizhe Tianxia in the same manner as agreed under existing contractual arrangements, nor are we granted the authorization of the voting rights of the 1% equity interests. We believe Zhizhe Sihai still controls and is the primary beneficiary of Zhizhe Tianxia for accounting purposes, as it continues to have a controlling financial interest in Zhizhe Tianxia pursuant to ASC 810-10-25-38A after the issuance of such 1% equity interests.

The following is a summary of the currently effective contractual arrangements by and among our WFOEs, the VIEs, and their respective shareholders.

Agreements that provide us with effective control over the VIEs

Exclusive Business Cooperation Agreements

Zhizhe Tianxia entered into an exclusive business cooperation agreement with Zhizhe Sihai on December 21, 2021, pursuant to which Zhizhe Tianxia agrees to engage Zhizhe Sihai as its exclusive provider of business support, technical and consulting services, including without limitation technical services, network support, business consultation, intellectual property licensing, equipment and leasing, market consultancy, system integration, product research and development and system maintenance, and management consulting services relating to Zhizhe Tianxia's operations, in exchange for service fees. Under these arrangements, the service fees, subject to Zhizhe Sihai's adjustment, are equal to all of the net profit of Zhizhe Tianxia and its subsidiaries. Zhizhe Sihai may adjust the service fees at its sole discretion, after consideration of certain factors, including but not limited to the deduction of necessary costs, expenses, taxes and other statutory contribution in relation to the respective fiscal year, and may also include accumulated losses of Zhizhe Tianxia and its subsidiaries from previous financial periods. If Zhizhe Tianxia runs into financial deficit or suffers severe operation difficulties, Zhizhe Sihai will provide financial support to Zhizhe Tianxia.

Intellectual property rights are developed during the normal course of business of Zhizhe Tianxia and its subsidiaries. Pursuant to the exclusive business cooperation agreement, Zhizhe Sihai will have the exclusive and proprietary rights to all intellectual properties developed by Zhizhe Tianxia and its subsidiaries, in connection with performance of the exclusive business cooperation agreement.

Unless otherwise terminated early by Zhizhe Sihai, the exclusive business cooperation agreement remains effective unless terminated in the event that (a) the entire equity interests held by the shareholders in Zhizhe Tianxia or the entire assets of Zhizhe Tianxia have been transferred to Zhizhe Sihai; (b) in accordance with the other provisions of the exclusive business cooperation agreement.

Shanghai Pinzhi entered into an exclusive technology development, consultancy and services agreement with Shanghai Zhishi on September 7, 2021, pursuant to which Shanghai Pinzhi agrees to engage Shanghai Zhishi as its exclusive provider of technology development, consultancy and services in exchange for service fees. The service fees shall be equal to the total consolidated net profit of Shanghai Pinzhi, after deducting the business expenses as confirmed by both parties. Shanghai Zhishi may adjust the service fees at its sole discretion, taking into account the content of the services provided during the year and the business need of Shanghai Pinzhi. Shanghai Zhishi may provide financial support to Shanghai Pinzhi to ensure Shanghai Pinzhi can meet its operational cash flow requirements and/or to support it when it suffers operational losses. Unless otherwise terminated early by mutual agreement or pursuant to provisions set forth therein, the exclusive technology development, consultancy and services agreement will expire on September 7, 2041. The remaining principal terms of the exclusive technology development, consultancy and services agreement are substantially similar to those under the Zhizhe Tianxia exclusive business cooperation agreement as set out above.

Wuhan Xinyue entered into an exclusive business cooperation agreement with Wuhan Bofeng on July 31, 2023, the principal terms of which are substantially the same as those under the Zhizhe Tianxia exclusive business cooperation agreement as set out above.

Shareholders' Rights Entrustment Agreement and Powers of Attorney

Pursuant to the shareholder's rights entrustment agreement entered into among Mr. Yuan Zhou, Mr. Dahai Li, Zhizhe Sihai, and Zhizhe Tianxia on December 21, 2021 and the irrevocable power of attorney executed by each of Mr. Yuan Zhou and Mr. Dahai Li, who collectively holds 99% of the equity interests in Zhizhe Tianxia, on the same day, whereby each of Mr. Yuan Zhou and Mr. Dahai Li appointed Zhizhe Sihai or a director of its offshore holding company or his successor (including a liquidator replacing such director) as their exclusive agent and attorney to act on their behalf on all matters concerning Zhizhe Tianxia and its subsidiaries and to exercise all of its rights as a registered shareholder of Zhizhe Tianxia; such attorney cannot be the shareholder himself or another shareholder of Zhizhe Tianxia. These rights include (i) the right to propose, convene and attend shareholders' meetings; (ii) the right to sell, transfer, pledge or dispose of shares; (iii) the right to exercise shareholders' voting rights; and (iv) the right to appoint the legal representative (chairperson), the director, supervisor, the chief executive officer (or general manager) and other senior management members of Zhizhe Tianxia. The authorized person is entitled to sign minutes, file documents with the companies registry and exercise voting rights in Zhizhe Tianxia on behalf of each of Mr. Yuan Zhou and Mr. Dahai Li. As a result of the shareholders' rights entrustment agreement and the powers of attorney, we, through Zhizhe Sihai, are able to exercise management control over the activities that most significantly impact the economic performance of Zhizhe Tianxia. The shareholders' rights entrustment agreement and the powers of attorney shall automatically terminate once Zhizhe Sihai or its designee directly holds the entire equity interests in and/or the entire assets of Zhizhe Tianxia once permitted under the then PRC laws and Zhizhe Sihai or its designee is allowed to conduct the applicable businesses of Zhizhe Tianxia.

The shareholders of Shanghai Pinzhi each entered into a power of attorney on September 7, 2021, in favor of Shanghai Zhishi, the principal terms of which are substantially similar to those under the Zhizhe Tianxia shareholders' rights entrustment agreement and powers of attorney as set out above, except that the Shanghai Pinzhi power of attorney shall terminate upon the earlier of (a) the shareholder ceasing to be a shareholder of Shanghai Pinzhi and (b) when the attorney terminates such power of attorney by written notice to the shareholder.

Wuhan Xinyue, the shareholders of Wuhan Xinyue and Wuhan Bofeng entered into a shareholder's rights entrustment agreement on July 31, 2023, the principal terms of which are substantially similar to those under the Zhizhe Tianxia shareholders' rights entrustment agreement as set out above. In addition, the shareholders of Wuhan Xinyue each entered into a power of attorney on July 31, 2023 in favor of Wuhan Bofeng, the principal terms of which are substantially the same as those under the Zhizhe Tianxia power of attorney as set out above.

Share Pledge Agreement

Zhizhe Tianxia, Mr. Yuan Zhou, Mr. Dahai Li, and Zhizhe Sihai entered into a share pledge agreement on December 21, 2021, pursuant to which Mr. Yuan Zhou and Mr. Dahai Li will pledge all of their respective equity interests in Zhizhe Tianxia to Zhizhe Sihai as collateral security for any or all of their payments due to Zhizhe Sihai and to secure performance of their obligations under the exclusive business cooperation agreement, the exclusive option agreement, shareholders' rights entrustment agreement and the powers of attorney. The share pledge agreement remains effective until (i) all obligations of Zhizhe Tianxia, Mr. Yuan Zhou and Mr. Dahai Li are satisfied in full; (ii) Zhizhe Sihai exercises its exclusive option to purchase the entire equity interests held by Mr. Yuan Zhou and Mr. Dahai Li and/or the entire assets of Zhizhe Tianxia pursuant to the exclusive option agreement when it is permitted to do so under the applicable PRC laws; (iii) Zhizhe Sihai exercises its unilateral and unconditional right of termination; or (iv) the share pledge agreement is required to be terminated in accordance with applicable PRC laws. Should an event of default occur, unless it is successfully resolved to Zhizhe Sihai's satisfaction within 30 days upon being notified by Zhizhe Sihai, Zhizhe Sihai may demand that Zhizhe Tianxia immediately pay all outstanding payments due under the exclusive business cooperation agreement, repay any loans and make all other payments due to it, and/or dispose of the pledged equity interests and use the proceeds to repay any outstanding payments due to Zhizhe Sihai. Mr. Yuan Zhou and Mr. Dahai Li have pledged their equity interests in Zhizhe Tianxia to Zhizhe Sihai and registered such pledges with the PRC governmental authority pursuant to PRC laws and regulations.

Shanghai Pinzhi, the shareholders of Shanghai Pinzhi, and Shanghai Zhishi entered into a share pledge agreement on September 7, 2021, which shall terminate upon all obligations of Shanghai Pinzhi and its shareholders under the exclusive technology development, consultancy and services agreement, the exclusive option agreement and the powers of attorney are satisfied in full. The remaining principal terms of this share pledge agreement are substantially similar to those under the Zhizhe Tianxia share pledge agreement as set out above.

Wuhan Xinyue, the shareholders of Wuhan Xinyue and Wuhan Bofeng entered into a share pledge agreement on July 31, 2023, the principal terms of which are substantially the same as those under the Zhizhe Tianxia share pledge agreement as set out above.

Agreements that provide us with the option to purchase the equity interests in and assets of the VIEs

Exclusive Option Agreements

Zhizhe Tianxia, Mr. Yuan Zhou, and Mr. Dahai Li entered into an exclusive option agreement with Zhizhe Sihai dated December 21, 2021, pursuant to which Zhizhe Sihai or its designee is granted an irrevocable and exclusive right to purchase all of the equity interest in and/or assets of Zhizhe Tianxia for a nominal price, unless the government authorities or the PRC laws request that another amount be used as the purchase price, in which case the purchase price shall be the lowest amount under such request. Subject to the PRC laws and regulations, Mr. Yuan Zhou and Mr. Dahai Li and/or Zhizhe Tianxia shall return any amount of purchase price they have received to Zhizhe Sihai or its designee. At Zhizhe Sihai's request, Mr. Yuan Zhou and Mr. Dahai Li will promptly transfer their respective equity interests in and/or the relevant assets of Zhizhe Tianxia to Zhizhe Sihai or its designee after Zhizhe Sihai exercises its purchase right. Unless otherwise terminated early by Zhizhe Sihai through written notice, the exclusive option Agreement remains effective until when all the purchased equity interests and/or the relevant assets are transferred to Zhizhe Sihai and/or the designee and Zhizhe Sihai and its subsidiaries have the right to legally conduct the business of Zhizhe Tianxia according to the PRC law.

During the term of the exclusive option agreement, Zhizhe Tianxia is not allowed to, and shall procure its subsidiaries not to, sell, transfer, mortgage or otherwise dispose of any of its assets (exceeding the value of RMB1 million) without the prior written consent of Zhizhe Sihai. In addition, Mr. Yuan Zhou and Mr. Dahai Li are not allowed to request for any distributions, gains or other form of profits sharing and should forgo such distributions, gains or any other form of profits sharing within the scope permitted by the PRC law. In the event that Mr. Yuan Zhou and/or Mr. Dahai Li receives any distribution from Zhizhe Tianxia and/or its subsidiaries and subject to the PRC laws, they must immediately pay or transfer such distribution to Zhizhe Sihai or its designee. If Zhizhe Sihai exercises its purchase right, all or any part of the equity interests in and/or assets of Zhizhe Tianxia acquired would be transferred to Zhizhe Sihai and the benefits of equity ownership and/or assets, as applicable, would flow to us and our Shareholders.

As provided in the exclusive option agreement, without the prior written consent of Zhizhe Sihai, Zhizhe Tianxia shall not, and shall procure its subsidiaries not to, among other things, (i) sell, transfer, pledge or dispose of in any manner any of its assets for a value more than RMB1 million; (ii) execute any material contract for a value more than RMB1 million, except any contracts in the ordinary course of business and any contracts entered into with any members of our group; (iii) provide any loan, financial support, pledge or guarantees in any form to any third party, or allow any third party create any pledge or other security interest on its assets or equity; (iv) incur, inherit, guarantee or allow any debt that is not incurred in the ordinary course of business of Zhizhe Tianxia or not disclosed and consented to by Zhizhe Sihai; (v) enter into any consolidation or merger with any third party, or acquire or invest in any third party; or (vi) increase or reduce its registered capital, or alter the structure of the registered capital in any other way. As such, the potential adverse effect on Zhizhe Sihai and us in the event of any loss suffered from Zhizhe Tianxia and/or its subsidiaries can be limited to a certain extent.

Shanghai Pinzhi entered into an exclusive option agreement with Shanghai Zhishi on September 7, 2021, pursuant to which Shanghai Zhishi or its designee is granted an irrevocable and exclusive right to purchase all of the equity interest in and/or assets of Shanghai Pinzhi for RMB10 or the lowest amount allowed by PRC laws and regulations. The exclusive option agreement shall take effect from the date of signing and terminate when all the purchased equity interests and/or assets are transferred to Shanghai Zhishi or its designee. The remaining principal terms of the exclusive option agreement are substantially similar to those under the exclusive option agreement, except that the materiality threshold under the Shanghai Pinzhi exclusive option agreement for the corporate actions that require Shanghai Zhishi's consent is RMB500 thousand.

In 2024, we exercised the redemption right in connection with our investment arrangements with Shanghai Pinzhi to require Shanghai Pinzhi and its founders to repurchase our shareholding interest, as its performance did not meet certain criteria. The parties are currently resolving the pending disputes and litigations, and we may terminate the contractual arrangements with Shanghai Pinzhi and its subsidiaries if the disputes are settled.

Wuhan Xinyue entered into an exclusive option agreement with Wuhan Bofeng on July 31, 2023, the principal terms of which are substantially the same as those under the Zhizhe Tianxia exclusive option agreement as set out above.

D. Property, Plants and Equipment

Our principal place of business is located in Beijing, China. As of March 31, 2026, we had 13 leases in effect for properties in Beijing and other cities in China with an aggregate gross floor area of over 15,837 square meters. These leases vary in duration from approximately 6 to 40 months. We also leased offices through flexible or shared office arrangements.

Our leased properties in China serve as our offices and data centers. We believe that there is sufficient supply of properties in China, and thus we do not rely on existing leases for our business operations.

As of March 31, 2026, one landlord of our leased properties in China had not provided us with valid title certificates or relevant authorization documents evidencing their rights to lease the properties to us. Consequently, if this lease is terminated as a result of challenges by third parties, we may not be able to continue to use the leased property. We believe that alternative premises are available at reasonable market rates if we were forced to relocate our premises which lack valid title certificates.

Pursuant to the applicable PRC laws and regulations, property lease contracts must be registered with the local branches of the PRC Ministry of Housing and Urban Development. As of March 31, 2026, we had completed lease registration of one property, but not others, among the properties we leased in China, primarily due to the difficulty of procuring the landlords' cooperation to register such leases. Our landlords will need to cooperate for the registration of such leases. Our PRC legal counsel has advised us that the lack of registration for the lease contracts will not affect the validity of such lease contracts under PRC law, and has also advised us that a maximum penalty of RMB10,000 may be imposed for each incident of noncompliance of lease registration requirements.

Item 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

Item 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements and the related notes included elsewhere in this annual report on Form 20-F. This discussion may contain forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Item 3. Key Information—D. Risk Factors" or in other parts of this annual report.

A. Operating Results

Since we launched our business in 2010, we have been dedicated to expanding our content and service offerings to meet the diverse needs of our users, content creators, and business partners. We have grown from a Q&A community into one of the largest comprehensive online content communities in China. Our average monthly subscribing members were 15.0 million in 2024 and 13.5 million in 2025. As of December 31, 2025, Zhihu had 80.3 million cumulative content creators, who had contributed 953.9 million cumulative pieces of content covering over 1,000 verticals. We continue to launch new monetization channels such as offering vocational training. We believe that we are still in an early stage of monetization with significant potential for growth across multiple monetization channels.

Our revenues decreased from RMB4.2 billion in 2023 to RMB3.6 billion in 2024 and decreased to RMB2.7 billion (US$393.1 million) in 2025. Our gross profit decreased from RMB2.3 billion in 2023 to RMB2.2 billion in 2024 and decreased to RMB1.6 billion (US$235.6 million) in 2025. Our net loss was RMB839.5 million in 2023, RMB169.0 million in 2024, and RMB195.2 million (US$27.9 million) in 2025. We had net operating cash outflows of RMB415.5 million, RMB280.2 million, and RMB363.6 million (US$52.0 million) in 2023, 2024 and 2025, respectively.

Key Factors Affecting Our Results of Operations

Our results of operations are affected by the following factors.

Our content offerings

As an online content community, the overall scale of our user base, level of user engagement, and content creation all depend on the breadth, depth, richness, and quality of our content offerings. As of December 31, 2025, our community had 953.9 million cumulative pieces of content. The ever-growing Zhihu content has expanded to include timely content covering trending events to satisfy the needs and improve the experience of our increasingly diverse user base. In addition, our constantly broadening content coverage and diverse content formats cater to our users' continually evolving preferences. We have been deepening our content and adding new product categories to cover a wider spectrum of content consumption scenarios in our users' daily lives. We will continue to motivate and support content creators to create more high-quality content. Furthermore, we have developed and will continue to develop utilities and incentives to facilitate the content creation process.

Our user base

Our business and revenue growth are supported by our ability to maintain a consistent and active user base. Our vibrant community helps us motivate content creators to produce more high-quality content, which further stimulates user interactions and spending. With the larger and more engaged user base, more content creators have emerged on Zhihu. We provide multiple channels for content creators to monetize their contributions in our community.

Benefiting from our large user base and comprehensive content offerings, we have created a vibrant community of subscribing members and other customers. Our average monthly subscribing members increased significantly from 14.5 million in 2023 to 15.0 million in 2024, and decreased to 13.5 million in 2025. In addition, our large and engaged user base has attracted merchants and brands to our community and to pursue more effective branding and advertising.

Our content-centric monetization

Our revenue and business scale depend on our ability to further enhance our monetization by optimizing the effectiveness of our diversified monetization model for each revenue stream and expanding our revenue streams.

We have been expanding our service offerings to meet the diverse needs of our users, content creators and business partners. We have been enhancing our content-centric monetization in each of our revenue streams, including marketing services, paid membership, vocational training and other services. The willingness of our users to pay for premium content largely depends on the breadth, depth, and quality of our premium content, and thus better premium content could result in higher value for our paid membership services. Our rich content offerings and user base attract more merchants and brands to promote their products and services and achieve other commercial goals through our marketing services. In addition to continuously expanding our customer base via our diversified service offerings, we plan to further improve the effectiveness of our monetization channels and increase the spending of our existing merchants and brands as well as paying users.

We have consistently explored additional content-centric monetization channels and added new revenue streams. For example, we have launched our intellectual property development initiatives. We plan to further expand the monetization of our content community and seek to further diversify our revenue streams.

Our operating efficiency

Our efficiency and margin depend on our ability to strategically increase our scale and manage our costs and expenses. As the majority of our content is generated by users, we benefit from our organically generated, diverse content that stimulates interactions among users and content creators, as well as efficient content acquisition. We also deploy resources to strategically acquire high-quality content to enrich our premium content library. As we continue to expand our revenue streams, our revenue mix and ability to manage the level of revenue sharing with content providers might also affect our gross profit margin.

We seek to continually optimize our expense structure. Our operating efficiency is significantly affected by our user acquisition strategy. In 2025. we took a disciplined and strategic approach in user acquisition and shifted to prioritizing user experience and adopting a more organic approach to drive user growth. Moving forward, we will continue to enhance our brand recognition to achieve organic user acquisition and retention.

Our people and technology

We focus on investing in our people and technology, which are crucial for us to enrich our content offerings, further grow our user base, incentivize content creators, and attract merchants and brands. We recruit, retain, and motivate talented employees to support our growth. Our technology infrastructure supports our business model in various respects, including understanding our users, optimizing our content offerings, promoting interaction and engagement between our users and content creators, nurturing our community, and enhancing our service offerings. We will continue to develop and apply artificial intelligence technologies to keep pace with the growth of our business, scale our content offerings, and improve operating efficiency. We will continue to invest in people and technology to facilitate our future growth.

Key Components of Results of Operations

Revenue

We generate revenue primarily through (i) marketing services, (ii) paid membership, and (iii) other services. The following table sets forth a breakdown of revenue by type both in absolute amount and as a percentage of our revenue for the periods indicated.

	For the Year Ended December 31,						
	2023		2024		2025		
	RMB	%	RMB	%	RMB	US$	%
	(in thousands, except percentages)						
Revenue							
Marketing services	1,652,992	39.4	1,247,092	34.7	843,933	120,681	30.7
Paid membership	1,826,557	43.5	1,761,978	49.0	1,538,942	220,066	56.0
Others[(1)]	719,340	17.1	589,835	16.3	366,129	52,356	13.3
Total	**4,198,889**	**100.0**	**3,598,905**	**100.0**	**2,749,004**	**393,103**	**100.0**

Note:

(1) We simplified our revenue stream by reclassifying vocational training into "others" to align with our overall strategy during the year ended December 31, 2025, and the revenue of others for the years ended December 31, 2023 and 2024 has been retrospectively reclassified.

Marketing services. We generate revenue from marketing services, which primarily consist of advertising revenue and revenue from content-commerce solutions. We experienced a decline in our marketing services revenue in 2023, 2024 and 2025 primarily due to our proactive and ongoing refinement of service offerings.

Our customers are generally attracted by the consistent and active user base, high-quality user profiles, and the content generated in our community. They typically select target audience based on user profiles and review performance indices instead of specifying target content category or monitoring other similar metrics. We do not believe that we have concentration in terms of user profiles. The pricing of our advertising is determined based on our internally-set price guidelines that are updated from time to time. The guidelines generally take into consideration factors including, among other things, nature and type of customers, products and services to be marketed, prior relationships, level of comparable demands, and scale of orders, and are implemented based on the marked price for our advertising services.

Paid Membership. We generate substantially all of our paid membership revenue from Yan Selection membership fees. We officially launched our Yan Selection membership program in March 2019, and since then have continued to enhance the volume and quality of our premium content. Our average monthly subscribing members increased from 14.5 million in 2023 to 15.0 million in 2024, and decreased to 13.5 million in 2025.

Others. Other revenues are mainly generated from vocational training businesses, sales of our private label products and book series, intellectual property derivatives business and other activities. The decrease was primarily due to the strategic refinement of our vocational training business.

Cost of Revenues

Our cost of revenues primarily consists of: (i) content and operational costs, (ii) cloud service and bandwidth costs, (iii) staff costs, and (iv) payment processing costs. Content and operational costs primarily include payments for content creators with respect to content included in our premium content library, other content-related costs and other business-related execution costs.

The following table sets forth a breakdown of our cost of revenues by nature both in absolute amount and as a percentage of our revenue for the periods indicated.

	For the Year Ended December 31,						
	2023		2024		2025		
	RMB	%	RMB	%	RMB	US$	%
	(in thousands, except percentages)						
Cost of revenues							
Content and operational costs	1,033,878	24.6	707,710	19.7	573,947	82,073	20.9
Cloud service and bandwidth costs	280,045	6.7	195,248	5.4	161,473	23,090	5.9
Staff costs	248,678	5.9	218,873	6.1	142,162	20,329	5.2
Payment processing costs	198,199	4.7	168,151	4.7	132,248	18,911	4.8
Others	142,241	3.4	128,094	3.5	91,429	13,075	3.3
Total	**1,903,041**	**45.3**	**1,418,076**	**39.4**	**1,101,259**	**157,478**	**40.1**

Gross Profit and Gross Profit Margin

Our gross profit decreased from RMB2.3 billion in 2023 to RMB2.2 billion in 2024, and further to RMB1.6 billion (US$235.6 million) in 2025. Our gross profit margin was 54.7% in 2023, 60.6% in 2024, and 59.9% in 2025.

Operating Expenses

Our operating expenses consist of (i) selling and marketing expenses, (ii) research and development expenses, (iii) general and administrative expenses, and (iv) impairment of goodwill.

The following table sets forth a breakdown of our operating expenses both in absolute amount and as a percentage of our revenue for the periods indicated.

	For the Year Ended December 31,						
	2023		2024		2025		
	RMB	%	RMB	%	RMB	US$	%
	(in thousands, except percentages)						
Operating expenses							
Selling and marketing expenses	2,048,090	48.8	1,599,186	44.4	1,252,274	179,073	45.6
Research and development expenses	901,452	21.5	732,553	20.4	524,996	75,073	19.1
General and administrative expenses	418,531	9.9	330,173	9.2	251,419	35,952	9.1
Impairment of goodwill	—	—	—	—	126,344	18,067	4.6
Total	**3,368,073**	**80.2**	**2,661,912**	**74.0**	**2,155,033**	**308,165**	**78.4**

Selling and Marketing Expenses. Our selling and marketing expenses primarily consist of expenses associated with promotion and advertising and staff costs.

Research and Development Expenses. Our research and development expenses primarily consist of research and development related staff costs and expenses related to new technology and product development and product enhancements.

General and Administrative Expenses. General and administrative expenses primarily consist of staff costs, traveling and general expenses, and professional service fees.

Impairment of goodwill. The impairment was primarily attributable to goodwill associated with our prior acquisitions.

Taxation

Cayman Islands

We are incorporated as an exempted company in the Cayman Islands. The Cayman Islands currently have no income, corporation or capital gains tax.

Hong Kong

Under the two-tiered profits tax rate regime in Hong Kong, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rate regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong profits tax of the qualifying group entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

In addition, payments of dividends from our subsidiary in Hong Kong to us are not subject to any Hong Kong withholding tax.

PRC

Under the PRC Enterprise Income Tax Law effective from January 1, 2008, our PRC subsidiaries, and consolidated affiliated entities and their subsidiaries are subject to the statutory rate of 25%, subject to preferential tax treatments available to qualified enterprises in certain encouraged sectors of the economy.

Enterprises that qualify as "high and new technology enterprises ("HNTEs")" are entitled to a preferential rate of 15% for three years. Enterprises that qualify as "small low-profit enterprises" are entitled to a preferential rate of 20%. Specifically, during the period from January 1, 2023 to December 31, 2027, the portion of annual taxable income amount of a small low-profit enterprise not exceeding RMB1 million is computed at a reduced rate of 25% as taxable income amount, subject to an enterprise income tax rate of 20%. During the period from January 1, 2022 to December 31, 2027, the portion of annual taxable income amount of a small low-profit enterprise exceeding RMB1 million and not exceeding RMB3 million is computed at a reduced rate of 25% as taxable income amount, subject to an enterprise income tax rate of 20%.

Zhizhe Sihai and Beijing Qingzhong Education Technology Co., Ltd. were qualified as HNTEs and enjoyed a preferential tax rate of 15% for the years ended December 31, 2023, 2024 and 2025. Shanghai Zhishi was qualified as HNTE and enjoyed a preferential tax rate of 15% for the year ended December 31, 2024 and 2025. Some of our subsidiaries were "small low-profit enterprises" under the PRC laws and regulations, and accordingly were eligible for a preferential tax rate of 20% in each of 2023, 2024 and 2025. Our other PRC entities were subject to enterprise income tax at a rate of 25% in 2023, 2024 and 2025. Pursuant to the PRC Enterprise Income Tax Law, a 5% or 10% withholding tax is levied on dividends declared to foreign investors from China effective from January 1, 2008.

We are subject to value added tax, or VAT, at rates of 6% on the products and services we provide to users and customers, less any deductible VAT we have already paid or borne. We are also subject to surcharges on VAT payments in accordance with PRC law.

Dividends paid by our wholly foreign-owned subsidiary in China to our intermediary holding company in Hong Kong will be subject to a withholding tax rate of 10%, unless the Hong Kong entity satisfies all the requirements under the Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Incomes and receives approval from the tax authority. If our Hong Kong subsidiary satisfies all the requirements under the tax arrangement and receives approval from the tax authority, then the dividends paid to the Hong Kong subsidiary would be subject to withholding tax at the standard rate of 5%.

If our holding company in the Cayman Islands or any of our subsidiaries outside of China were deemed to be a "resident enterprise" under the PRC Enterprise Income Tax Law, it would be subject to enterprise income tax on its worldwide income at a rate of 25%. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—We may be classified as a "PRC resident enterprise" for PRC enterprise income tax purposes, which could result in unfavorable tax consequences to us and our shareholders and materially and adversely affect our results of operations and the value of your investment."

Results of Operations

The following table sets forth our results of operations with line items in absolute amount and as a percentage of our revenue for the periods indicated. This information should be read together with our consolidated financial statements and related notes included elsewhere in this annual. The results of operations in any period are not necessarily indicative of our future trends.

	For the Year Ended December 31,						
	2023		2024		2025		
	RMB	%	RMB	%	RMB	US$	%
	(in thousands, except percentages)						
Revenues	4,198,889	100.0	3,598,905	100.0	2,749,004	393,103	100.0
Cost of revenues	(1,903,041)	(45.3)	(1,418,076)	(39.4)	(1,101,259)	(157,478)	(40.1)
Gross profit	**2,295,848**	**54.7**	**2,180,829**	**60.6**	**1,647,745**	**235,625**	**59.9**
Selling and marketing expenses	(2,048,090)	(48.8)	(1,599,186)	(44.4)	(1,252,274)	(179,073)	(45.6)
Research and development expenses	(901,452)	(21.5)	(732,553)	(20.4)	(524,996)	(75,073)	(19.1)
General and administrative expenses	(418,531)	(9.9)	(330,173)	(9.2)	(251,419)	(35,952)	(9.1)
Impairment of goodwill	—	—	—	—	(126,344)	(18,067)	(4.6)
Total operating expenses	**(3,368,073)**	**(80.2)**	**(2,661,912)**	**(74.0)**	**(2,155,033)**	**(308,165)**	**(78.4)**
Loss from operations	**(1,072,225)**	**(25.5)**	**(481,083)**	**(13.4)**	**(507,288)**	**(72,540)**	**(18.5)**
Investment income	41,695	1.0	65,441	1.8	231,864	33,156	8.4
Interest income	158,671	3.7	114,964	3.2	71,542	10,230	2.6
Fair value change of financial instruments	(5,170)	(0.1)	78,405	2.2	—	—	—
Exchange gains/(losses)	97	0.0	1,013	0.0	(233)	(33)	(0.0)
Others, net	49,236	1.2	42,902	1.2	30,641	4,382	1.1
Loss before income tax	**(827,696)**	**(19.7)**	**(178,358)**	**(5.0)**	**(173,474)**	**(24,805)**	**(6.3)**
Income tax (expenses)/benefits	(11,832)	(0.3)	9,391	0.3	(21,687)	(3,101)	(0.8)
Net loss	**(839,528)**	**(20.0)**	**(168,967)**	**(4.7)**	**(195,161)**	**(27,906)**	**(7.1)**

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenues

	For the Year Ended December 31,					
	2024	2025		Change		
	RMB	RMB	US$	RMB	US$	%
	(in thousands, except percentages)					
Revenues						
Marketing services	1,247,092	843,933	120,681	(403,159)	(57,651)	(32.3)
Paid membership	1,761,978	1,538,942	220,066	(223,036)	(31,894)	(12.7)
Others[(1)]	589,835	366,129	52,356	(223,706)	(31,989)	(37.9)
Total	**3,598,905**	**2,749,004**	**393,103**	(849,901)	(121,534)	(23.6)

Note:

(1) Starting from the third quarter of 2025, we simplified our revenue stream by reclassifying vocational training into "others" to align with our overall strategy. Revenues for the applicable comparison periods have been retrospectively reclassified.

Our revenues decreased by 23.6% from RMB3,598.9 million in 2024 to RMB2,749.0 million (US$393.1 million) in 2025.

Marketing services. Marketing services revenue was RMB843.9 million (US$120.7 million) in 2025, compared with RMB1,247.1 million in 2024. The decrease was primarily due to our proactive and ongoing refinement of service offerings.

Paid Membership. Paid membership revenue was RMB1,538.9 million (US$220.1 million) in 2025, compared with RMB1,762.0 million in 2024. The decrease was primarily due to a decline in the number of our average monthly subscribing members.

Others. Other revenues were RMB366.1 million (US$52.4 million) in 2025, compared with RMB589.8 million in 2024. The decrease was primarily due to the strategic refinement of our vocational training business.

Cost of Revenues

	For the Year Ended December 31,					
	2024	2025		Change		
	RMB	RMB	US$	RMB	US$	%
	(in thousands, except percentages)					
Cost of revenues						
Content and operational costs	707,710	573,947	82,073	(133,763)	(19,128)	(18.9)
Cloud services and bandwidth costs	195,248	161,473	23,090	(33,775)	(4,830)	(17.3)
Staff costs	218,873	142,162	20,329	(76,711)	(10,970)	(35.0)
Payment processing costs	168,151	132,248	18,911	(35,903)	(5,134)	(21.4)
Others	128,094	91,429	13,075	(36,665)	(5,242)	(28.6)
Total	**1,418,076**	**1,101,259**	**157,478**	**(316,817)**	**(45,304)**	**(22.3)**

Our cost of revenues decreased by 22.3% from RMB1,418.1 million in 2024 to RMB1,101.3 million (US$157.5 million) in 2025. The decrease was primarily due to reduced content and operating costs associated with the decline in our revenues and a decrease in personnel-related expenses.

Gross Profit and Gross Profit Margin

	For the Year Ended December 31,					
	2024	2025		Change		
	RMB	RMB	US$	RMB	US$	%
	(in thousands, except percentages)					
Gross profit	2,180,829	1,647,745	235,625	(533,084)	(76,230)	(24.4)

In 2024 and 2025, our gross profit was RMB2,180.8 million and RMB1,647.7 million (US$235.6 million), respectively, and our gross profit margin was 60.6% and 59.9%, respectively.

Operating Expenses

	For the Year Ended December 31,					
	2024	2025		Change		
	RMB	RMB	US$	RMB	US$	%
	(in thousands, except percentages)					
Operating expenses						
Selling and marketing expenses	1,599,186	1,252,274	179,073	(346,912)	(49,608)	(21.7)
Research and development expenses	732,553	524,996	75,073	(207,557)	(29,680)	(28.3)
General and administrative expenses	330,173	251,419	35,952	(78,754)	(11,262)	(23.9)
Impairment of goodwill	—	126,344	18,067	126,344	18,067	—
Total	**2,661,912**	**2,155,033**	**308,165**	**(506,879)**	**(72,483)**	**(19.0)**

Selling and Marketing Expenses. Our selling and marketing expenses decreased by 21.7% from RMB1,599.2 million in 2024 to RMB1,252.3 million (US$179.1 million) in 2025, primarily due to more disciplined marketing spending and a decrease in personnel-related expenses.

Research and Development Expenses. Our research and development expenses decreased by 28.3% from RMB732.6 million in 2024 to RMB525.0 million (US$75.1 million) in 2025, primarily attributable to improvements in our research and development efficiency.

General and Administrative Expenses. Our general and administrative expenses decreased by 23.9% from RMB330.2 million in 2024 to RMB251.4 million (US$36.0 million) in 2025, primarily attributable to a decline in the allowance for expected credit losses on trade receivables.

Impairment of goodwill was RMB 126.3 million (US$18.1 million) in 2025, compared with nil in 2024. The impairment was primarily attributable to goodwill associated with our prior acquisitions, mainly driven by lower valuations amid the current market conditions.

Loss from Operations

As a result of the foregoing, we had a loss from operations of RMB507.3 million (US$72.5 million) in 2025, compared with a loss from operations of RMB481.1 million in 2024.

Investment Income

Our investment income increased from RMB65.4 million in 2024 to RMB231.9 million (US$33.2 million) in 2025, primarily attributable to unrealized gains as a result of re-measuring the fair value of our investment in a privately held company associated with an observable price change in 2025.

Interest Income

Our interest income decreased from RMB115.0 million in 2024 to RMB71.5 million (US$10.2 million) in 2025, primarily due to a decrease in term deposits during 2025.

Fair Value Change of Financial Instruments

We recorded nil from fair value change of financial instruments in 2025, in comparison with gain of RMB78.4 million from fair value change of financial instruments in 2024, which reflected the fair value change of contingent consideration payables for our acquisitions.

Exchange Gains/(Losses)

We had exchange losses of RMB0.2 million (US$0.03 million) in 2025, in comparison with exchange gains of RMB1.0 million in 2024, as a result of fluctuations of the exchange rates of Renminbi against U.S. dollars.

Others, Net

We had net other gains of RMB30.6 million (US$4.4 million) in 2025, in comparison with net other gains of RMB42.9 million in 2024, primarily due to a decrease in non-operating income.

Loss Before Income Tax

Primarily as a result of the foregoing, our loss before income tax in 2025 was RMB173.5 million (US$24.8 million), narrowed by 2.7% from RMB178.4 million in 2024.

Income Tax Benefits/(Expenses)

We had income tax expenses of RMB21.7 million (US$3.1 million) in 2025, in comparison with income tax benefits of RMB9.4 million in 2024, primarily due to deferred income tax expenses associated with unrealized gains on re-measuring the fair value of our long-term investment were recognized in 2025.

Net Loss

As a result of the foregoing, our net loss increased from RMB169.0 million in 2024 to RMB195.2 million (US$27.9 million) in 2025.

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

For a detailed description of the comparison of our operating results for the year ended December 31, 2024 to the year ended December 31, 2023, see “Item 5. Operating and Financial Review and Prospects—A. Operating Results—Results of Operations—Year Ended December 31, 2024 Compared to Year Ended December 31, 2023” of our annual report on Form 20-F filed with the Securities and Exchange Commission on April 15, 2025.

B. Liquidity and Capital Resources

To date, we have financed our operations primarily through cash generated by historical equity financing. We had cash and cash equivalents, current and non-current term deposits, short-term investments and restricted cash of RMB5.5 billion, RMB4.9 billion and RMB4.5 billion (US$636.5 million) as of December 31, 2023, 2024 and 2025, respectively.

We may decide to enhance our liquidity position or increase our cash reserve for future operations and investments through additional financing. The issuance and sale of additional equity would result in further dilution to our shareholders. The incurrence of indebtedness would result in increasing fixed obligations and could result in operating covenants that would restrict our operations. We cannot assure you that financing will be available in amounts or on terms acceptable to us, if at all.

As of December 31, 2025, 55.2% of our cash and cash equivalents were held in China, of which 99.7% was held in Renminbi. As of December 31, 2025, 10.9% of our cash and cash equivalents were held by the VIE and its subsidiaries.

Substantially all of our revenues have been denominated in Renminbi, and we expect them to likely continue in the same manner. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior the approval of the State Administration of Foreign Exchange as long as certain routine procedural requirements are fulfilled. Therefore, our PRC subsidiaries are allowed to pay dividends in foreign currencies to us without prior SAFE approval by following certain routine procedural requirements. However, approval from or registration with competent government authorities is required where the Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may at its discretion restrict access to foreign currencies for current account transactions in the future.

Although we consolidate the results of the variable interest entities and their subsidiaries, we only have access to the assets or earnings of the variable interest entities and their subsidiaries through contractual arrangements.

We believe that, taking into account the cash and cash equivalents on hand and the financial resources available to us, including internally generated funds, we have sufficient working capital for our present requirement, which is, for at least the next 12 months from the date of this annual report.

Our short-term investments mainly include investments in financial instruments with a variable interest rate indexed to performance of underlying assets for cash management purposes. From the cash management and risk control perspective, we diversify our investment portfolios and mainly purchase low risk products from reputable banks in China and overseas and prefer those products with high liquidity. We prudently manage our short-term investments portfolio and their respective term to ensure that we have short-term investments readily convertible into cash from time to time in the event that there is a need for liquidity.

Our trade receivables primarily consist of outstanding amounts payable by third parties. Our trade receivables decreased from RMB664.6 million as of December 31, 2023 to RMB420.6 million as of December 31, 2024, and further to RMB358.0 million (US$51.2 million) as of December 31, 2025. We applied ASC Topic 326 to measure current expected credit losses for all trade receivables. We recorded provision of allowance for expected credit losses of trade receivables of RMB122.7 million, RMB147.5 million and RMB109.7 million (US$15.7 million) as of December 31, 2023, 2024 and 2025, respectively.

Accounts payable and accrued liabilities represent (i) accrued sales rebates, (ii) operational costs payables and accruals, and (iii) marketing expenses payables and accruals. Accounts payable and accrued liabilities decreased from RMB1.0 billion as of December 31, 2023 to RMB835.7 million as of December 31, 2024, and further to RMB681.3 million (US$97.4 million) as of December 31, 2025, primarily due to a decrease in operational costs payables and accruals.

Cash Flows

The following table sets forth a summary of our cash flows for the periods indicated.

	For the Year Ended December 31,			
	2023	2024	2025	
	RMB	RMB	RMB	US$
	(in thousands)			
Net cash used in operating activities	(415,527)	(280,185)	(363,605)	(51,993)
Net cash (used in)/provided by investing activities	(1,681,140)	2,562,617	(116,301)	(16,632)
Net cash used in financing activities	(365,056)	(403,862)	(131,629)	(18,822)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	42,510	14,851	(18,293)	(2,617)
Net (decrease)/increase in cash, cash equivalents and restricted cash	(2,419,213)	1,893,421	(629,828)	(90,064)
Cash, cash equivalents and restricted cash at the beginning of the year	4,525,852	2,106,639	4,000,060	572,001
Cash, cash equivalents and restricted cash at the end of the year	2,106,639	4,000,060	3,370,232	481,937

Operating Activities

For the year ended December 31, 2025, net cash used in operating activities was RMB363.6 million (US$52.0 million), as compared to our net loss of RMB195.2 million (US$27.9 million) for the same period. Net loss can be reconciled to net cash used in operating activities mainly by deducting an investment income of long-term investments of RMB159.2 million, an accrued investment income of short-term investments of RMB71.5 million and a reversal of allowance for expected credit loss of RMB26.8 million, and adding back other non-cash items, which primarily comprised an impairment of goodwill of RMB126.3 million, share-based compensation expenses of RMB87.3 million and deferred income tax expenses of RMB20.3 million, and further deducting another RMB174.0 million used for working capital. The cash used for working capital was primarily the result of (i) a decrease of RMB154.3 million in accounts payable and accrued liabilities, (ii) a decrease of RMB87.2 million in salary and welfare payables to our employees, (iii) a decrease of RMB48.8 million in contract liabilities, partially offset by (y) a decrease of RMB90.1 million in trade receivables, (z) a decrease of RMB47.2 million in prepayments and other current assets

For the year ended December 31, 2024, net cash used in operating activities was RMB280.2 million, as compared to our net loss of RMB169.0 million for the same period. Net loss can be reconciled to net cash used in operating activities mainly by deducting a fair value change of financial instrument of RMB78.4 million, an accrued investment income of short-term investments of RMB58.3 million and adding back other non-cash items, which primarily comprised share-based compensation expenses of RMB59.3 million and provision of allowance for expected credit losses of RMB36.7 million, and further deducting another RMB84.5 million used for working capital. The cash used for working capital was primarily the result of (i) a decrease of RMB183.4 million in accounts payable and accrued liabilities, (ii) a decrease of RMB65.4 million in salary and welfare payables to our employees, (iii) a decrease of RMB59.5 million in contract liabilities, (iv) a decrease of RMB45.1 million in amounts due to related parties, partially offset by (y) a decrease of RMB208.2 million in trade receivables and (z) a decrease of RMB63.3 million in prepayments and other current assets.

For the year ended December 31, 2023, net cash used in operating activities was RMB415.5 million, as compared to our net loss of RMB839.5 million for the same period. Net loss can be reconciled to net cash used in operating activities mainly by deducting an accrued investment income of short-term investments of RMB37.5 million, adding back a fair value change of financial instrument of RMB5.2 million and other non-cash items of RMB219.9 million, which primarily comprised share-based compensation expenses of RMB164.7 million, and provision of allowance for expected credit losses of RMB29.9 million, and further adding another RMB240.3 million released from working capital. The cash released from working capital was primarily the result of (i) an increase of RMB220.2 million in accounts payable and accrued liabilities, (ii) a decrease of RMB64.4 million in trade receivables, (iii) a decrease of RMB59.9 million in right-of-use assets, and (iv) an increase of RMB56.9 million in salary and welfare payables to our employees, partially offset by (y) a decrease of RMB87.1 million in contract liabilities and (z) a decrease of RMB50.8 million in lease liabilities.

Investing Activities

For the year ended December 31, 2025, net cash used in investing activities was RMB116.3 million (US$16.6 million), which was primarily attributable to (i) purchases of short-term investments of RMB13.4 billion, and (ii) purchases of term deposits of RMB742.5 million partially offset by (x) proceeds of maturities of short-term investments of RMB13.2 billion, (y) proceeds from disposal of term deposits of RMB814.5 million and (z) proceeds from sale of long-term investments of RMB76.8 million.

For the year ended December 31, 2024, net cash provided by investing activities was RMB2.6 billion, which was primarily attributable to (i) proceeds of maturities of short-term investments of RMB10.4 billion and (ii) proceeds from withdrawal of term deposits of RMB2.0 billion, partially offset by (y) purchase of short-term investments of RMB9.1 billion and (z) purchase of term deposits of RMB0.7 billion.

For the year ended December 31, 2023, net cash used in investing activities was RMB1.7 billion, which was primarily attributable to (i) purchase of short-term investments of RMB7.5 billion and (ii) purchase of term deposits of RMB2.7 billion, partially offset by (y) proceeds of maturities of short-term investments of RMB6.6 billion and (z) proceeds from withdrawal of term deposits of RMB2.0 billion.

Financing Activities

For the year ended December 31, 2025, net cash used in financing activities was RMB131.6 million (US$18.8 million), which was primarily attributable to payment for repurchase of shares.

For the year ended December 31, 2024, net cash used in financing activities was RMB403.9 million, which was primarily attributable to payment for repurchase of shares.

For the year ended December 31, 2023, net cash used in financing activities was RMB365.1 million, which was primarily attributable to payment for repurchase of shares.

Material Cash Requirements

Other than the ordinary cash requirements for our operations, our material cash requirements as of December 31, 2025 and any subsequent interim period primarily include our capital expenditures and operating lease obligations, as well as cash requirements for potential investments. We intend to fund our existing and future material cash requirements with our existing cash balance and other financing alternatives. We will continue to make cash commitments, including capital expenditures, to support the growth of our business.

Capital Expenditures

Our capital expenditures are primarily incurred for purchases of property and equipment. Our total capital expenditures were RMB8.9 million in 2023, RMB2.7 million in 2024 and RMB1.5 million (US$0.2 million) in 2025. We intend to fund our future capital expenditures with our existing cash balance. We will continue to make capital expenditures to meet the expected growth of our business.

Contractual Obligations

Our operating lease obligations primarily represent the commitments under the lease agreements for our office premises. We lease our office facilities under non-cancelable operating leases with various expiration dates. The majority of our operating lease commitments are related to our office lease agreements in China. As of December 31, 2025, the total amount of future lease payments under operating leases was RMB38.7 million (US$5.5 million), of which RMB22.7 million (US$3.2 million) is short term.

As of December 31, 2025, our investment commitment contracted with short-term payment schedule amounted to RMB12.3 million (US$1.8 million), which related to our investment obligation for a privately held company.

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

Other than as discussed above, we did not have any significant capital and other commitments, long-term obligations or guarantees as of December 31, 2025.

Holding Company Structure

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

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

See "Item 4. Information on the Company—B. Business Overview—Technological Infrastructure" And "Item 4. Information on the Company—B. Business Overview—Intellectual Property."

D. Trend Information

Other than as disclosed elsewhere in this annual report, we are not aware of any trends, uncertainties, demands, commitments or events for the period from January 1, 2026 to the date of this annual report that are reasonably likely to have a material adverse effect on our total revenues, profitability, liquidity, or capital resources, or that caused the disclosed financial information to be not necessarily indicative of future operating results or financial conditions.

E. Critical Accounting Estimates

Our consolidated financial statements have been prepared in accordance with U.S. GAAP and pursuant to the regulations of the SEC. The preparation of the consolidated financial statements requires management to make assumptions, judgments and estimates that can have a significant impact on the reported amounts of assets, liabilities, revenue and expenses. We base our estimates on historical experience and on various other assumptions believed to be applicable and reasonable under the circumstances. Actual results could differ significantly from these estimates. These estimates may change as new events occur, as additional information is obtained and as our operating environment changes. On a regular basis, we evaluate our assumptions, judgments and estimates and make changes accordingly. We also discuss our critical accounting estimates with the Audit Committee of the Board of Directors. Note 2 to our audited consolidated financial statements included elsewhere in this annual report describes the significant accounting policies used in the preparation of the consolidated financial statements.

We have listed below our critical accounting estimates which require management to make difficult, subjective and complex judgements often as a result of the need to make estimate on matters that are inherently uncertain and because it is likely that materially different amounts would be reported under different conditions or assumptions. Actual results could differ from those estimates.

Allowance for Expected Credit Losses on Trade Receivables

The allowance for expected credit losses represents our estimate of the expected lifetime expected credit losses inherent on trade receivables as of the balance sheet date. The adequacy of our allowance for expected credit losses is assessed quarterly, and the assumptions and models used in establishing the allowance are evaluated regularly. Because expected credit losses can vary substantially over time, estimating expected credit losses requires a number of assumptions about matters that are uncertain. Changes in assumptions affect *general and administrative expenses* on our consolidated statements of operations and comprehensive loss and the allowance for expected credit losses contained within *trade receivables* on our consolidated balance sheets. See Note 2 to our audited consolidated financial statements included elsewhere in this annual report for more information regarding expected credit losses.

Nature of Estimates Required. We estimate the allowance for expected credit losses on receivables that share similar risk characteristics based on a collective assessment using measurement models. The models vary by portfolio groups and consider factors such as historical trends in credit losses, external credit evaluations, and forward-looking macroeconomic conditions.

Assumptions Used. The key assumptions used in the process of estimating the allowance for expected credit losses include:

Portfolio groups: In evaluating financial assets on a collective basis, we aggregate financial assets on the basis of similar risk characteristics, which include a combination of size, type of the services or the products we provide.

Historical default rate: The percentage of non-payment or default on receivables over an extended time period. In determining historical loss rate, we consider historical collectability based on past due status, the age of the trade receivables balances, credit quality of customers based on ongoing credit evaluations; and

Forward-looking information incorporated in the expected credit losses models: The impact of economic indicators on loss rate varies to different. We comprehensively consider internal and external data, future forecasts and statistical analysis to determine the relationship between economic indicators with loss rate. We evaluate and forecast economic indicators at least annually at balance sheet date, and regularly evaluates the results based on changes in macroeconomics.

Sensitivity Analysis. When one of our estimates of historical default rate and forward-looking information decreased/increased by 1% while holding all other estimates constant, there would be no significant impact to our consolidated financial statements.

Goodwill Impairment Assessment

We conduct an impairment test as of December 31 annually, or more frequently if events or changes in circumstances indicate that the carrying value of goodwill might be impaired. Our goodwill was attributable to our company as a whole. A quantitative assessment is performed if we determine it is more likely than not that the carrying value of the net assets is more than the fair value of the reporting unit after the qualitative assessment. Fair value is estimated by us using the income approach. Key assumptions utilized in estimating the fair value of the reporting unit include revenue growth rates, profit margins and discount rate. Changes in these assumptions could materially affect the determination of the fair value for reporting unit.

Revenue growth rate and profit margin. We make assumptions about the demand for our products in the marketplace. These projections are derived using our internal business plan forecasts that are updated at least annually. The internal business plan forecasts are developed considering the market data, selling plan and industry research.

Discount rate. When measuring the fair value of reporting unit, future cash flows are discounted at a rate that is consistent with a weighted-average cost of capital that we anticipate a potential market participant would use. Weighted-average cost of capital is an estimate of the overall risk-adjusted pre-tax rate of return expected by equity and debt holders of a business enterprise.

Sensitivity Analysis. The estimate of fair value of the reporting units are sensitive to our assumptions in these factors. When one of our estimates of revenue growth rates and discount rate decreased or increased by 1% while holding all other estimates constant, there would be no significant impact to our consolidated financial statements.

For the year ended December 31, 2025, due to the changing market conditions and fluctuations in our share price, we performed both qualitative and quantitative analysis as of December 31, 2025. A third-party valuation firm was engaged to help us determine the fair value of the reporting unit by applying income approach. RMB126.3 million of impairment of goodwill was recognized for the year ended December 31, 2025.

Item 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The following table sets forth information regarding our directors and executive officers as of the date of this annual report.

Directors and Executive Officers	Age	Position/Title
Yuan Zhou	45	Founder, Chairman, and Chief Executive Officer
Han Wang	35	Chief Financial Officer
Dahai Li	45	Director
Zhaohui Li	50	Director
Bing Yu	46	Director
Li-Lan Cheng	61	Independent Director
Hope Ni	53	Independent Director
Derek Chen	50	Independent Director

Yuan Zhou is our founder and has served as the chairman of our board of directors and chief executive officer since our inception. Mr. Zhou is an entrepreneur with over 15 years of experience in internet and media. Prior to founding our company, Mr. Zhou founded Beijing Nuobote Informational Technology Co., Ltd., a start-up company that focused on the development of big data analytics for e-commerce businesses from October 2008 to November 2010. Before that, Mr. Zhou worked as a journalist for the IT Management World magazine from June 2006 to December 2007. Mr. Zhou received a bachelor's degree in computer science and technology from Chengdu University of Technology in China in June 2003 and a master's degree in software engineering from Southeast University in China in March 2006.

Han Wang has served as our chief financial officer since February 2024. Prior to joining Zhihu, from 2020 to 2023, Mr. Wang was with Access Technology Ventures, a global investment platform under Access Industries, Inc., the private holding company and investment firm founded by businessman and philanthropist Len Blavatnik. Prior to that, he held senior positions at leading investment firms, including at Hillhouse Capital as a Vice President between 2018 and 2020, and at Legend Capital as a Director from 2015 to 2018. Mr. Wang received a bachelor's degree in communication engineering from Beijing University of Posts and Telecommunications in China in 2012.

Dahai Li has served as our director since March 2021 and, for purposes of the Hong Kong Listing Rules, a non-executive director since June 2024. Mr. Li served as our senior vice president from December 2015 to April 2018 and our chief technology officer from May 2018 to June 2024. He is currently a director of Beijing ModelBest Intelligent Technology Co., Ltd. and has served as its chief executive officer since June 2023. Prior to joining Zhihu, Mr. Li served as the head of search technology at Wandoujia, a leading app store in China, from August 2013 to December 2015. Prior to that, Mr. Li served as the engineering director at YunYun, a start-up search engine company in China, from August 2010 to August 2013. From June 2007 to September 2010, Mr. Li served as an engineer at Google China, focusing on search engine. Mr. Li received a bachelor's degree in mathematics and applied mathematics from Beijing University of Chemical Technology in China in July 2003 and a master's degree in mathematics from Peking University in July 2006.

Zhaohui Li has served as our director since September 2015 and, for purposes of the Hong Kong Listing Rules, a non-executive director. Mr. Li joined Tencent in 2011 and has worked there as the vice president and head of mergers and acquisitions department, and as the managing partner of Tencent Investment. Before joining Tencent, Mr. Li served as an investment principal at Bertelsmann Asia Investment from September 2008 to May 2010. Prior to that, Mr. Li held various positions related to product and business in Google and Nokia. Mr. Li also holds directorships at various other public companies. Mr. Li has been a director of Kuaishou Technology (HKEX: 1024) since March 2017 and KE Holdings Inc. (NYSE: BEKE, HKEX: 2423) since December 2018. Mr. Li received a bachelor's degree in economics from Peking University in July 1998 and an MBA degree from Duke University Fuqua School of Business in May 2004.

Bing Yu has served as our director since March 2023 and, for purposes of the Hong Kong Listing Rules, a non-executive director. Mr. Yu has been serving as technology advisor to Kuaishou Technology (HKEX stock code: 1024) since April 30, 2025. He worked at Kuaishou Technology from August 2016 to April 2025, serving as senior vice president, head of research&development line as well as chairman of engineering technology committee of Kuaishou group. He was responsible for Kuaishou group's research and development management, and the overall governance and long-term planning in the engineering technology area. Before joining the Kuaishou group, Mr. Yu led video and infrastructure teams in multinational companies such as Hulu, LLC from September 2014 to August 2016 and FreeWheel Media Inc. from July 2010 to April 2013. Mr. Yu received his bachelor's degree in engineering mechanics from Tsinghua University in Beijing, China in June 2002 and a master's degree in software engineering from Tsinghua University in June 2006.

Li-Lan Cheng has served as our independent director since May 2025 and, for purposes of the Hong Kong Listing Rules, an independent non-executive director. Dr. Cheng is currently an executive director and chief financial officer of E-House (China) Enterprise Holdings Limited (formerly known as Fangyou Information Technology Company Limited) (HKEX stock code: 2048) ("E-House"). He served as acting chief financial officer of Leju Holdings Limited (formerly NYSE: LEJU) from 2017 to 2023, and was its executive director from 2014 to 2017. Dr. Cheng served as the chief operating officer of E-House (China) Holdings Limited (formerly NYSE: EJ) from 2012 to 2018 and its chief financial officer from 2006 to 2012. Prior to joining E-House, he served as the chief financial officer of SouFun Holdings Limited, an online real estate service company in China, from 2005 to 2006. From 2002 to 2004, Dr. Cheng served as an executive director and the chief financial officer of SOHO China Limited, a real estate developer in Beijing. Dr. Cheng was an assistant director and the head of the Asian transportation sector investment banking group of ABN AMRO Asia from 1997 to 2002. From 1995 to 1997, Dr. Cheng was a senior analyst at the National Economic Research Associates, Inc., an economic and financial consulting firm in New York. From 1989 to 1991, he was an investment trainee and analyst at the Prudential Investment Corporation, the institutional investment subsidiary of the Prudential Insurance Company of America based in Newark, NJ. Dr. Cheng is an independent director and audit committee chairman of Yunji Inc. (NASDAQ: YJ), a Nasdaq-listed social e-commerce platform in China. He also served as an independent director and on the audit committee of 51job, Inc. (formerly NASDAQ: JOBS), LAIX Inc. (formerly NYSE: LAIX), Country Style Cooking Restaurant Chain Co., Ltd. (formerly NYSE: CCSC), and Le GAGA Holdings Limited (formerly NASDAQ: GAGA). Dr. Cheng received a bachelor's degree in Economics from Swarthmore College and a Ph.D. degree in Economics from the Massachusetts Institute of Technology. Dr. Cheng is a chartered financial analyst (CFA).

Hope Ni has served as our independent director since March 2021 and, for purposes of the Hong Kong Listing Rules, an independent non-executive director. Ms. Ni currently serves as an independent director of Acotec Scientific Holdings Limited (HKEX: 6669), Visen Pharmaceuticals (HKEX 02561), and UCLOUDLINK GROUP INC. (Nasdaq: UCL). From June 2020 to June 2022, she served as a non-executive director of Ingdan, Inc. (HKEX: 0400), previously known as Cogobuy Group, and prior to that, she served as an executive director of Ingdan, Inc. from 2015 to 2020. From 2004 to 2007, Ms. Ni was the chief financial officer and a director of Viewtran Group, Inc. In 2008, Ms. Ni served as the vice chairman of Viewtran Group, Inc. Prior to that, Ms. Ni spent six years as a practicing attorney at Skadden, Arps, Slate, Meagher & Flom LLP in New York and Hong Kong. Earlier in her career, Ms. Ni worked at Merrill Lynch's investment banking division in New York. Ms. Ni received a J.D. degree from University of Pennsylvania Law School in 1998 and a bachelor's degree in applied economics and business management from Cornell University in 1994.

Derek Chen has served as our independent director since April 2022 and, for purposes of the Hong Kong Listing Rules, an independent non-executive director. Mr. Chen was a partner of TPG Capital (Beijing) Limited from September 2013 to 2019 and was responsible for Growth Equity investments in China. Prior to joining TPG Capital (Beijing) Limited, Mr. Chen worked at SAIF (Beijing) Advisors Ltd. from March 2004 with a focus on private equity and capital market investments, and he was a principal of the firm when he left in September 2009. He was a non-executive director of VCREDIT Holdings Limited (HKEX: 2003) from March 2018 to October 2019, and has been re-appointed as an independent non-executive director since December 2021. Mr. Chen accumulated extensive corporate governance knowledge and experience through his senior management roles and directorships described above. Mr. Chen received a master's degree in business administration from Columbia Business School in 2001.

B. Compensation

For the fiscal year ended December 31, 2025, we paid an aggregate of RMB8.0 million (US$1.1 million) in cash to our directors and executive officers. We have not set aside or accrued any amount to provide pension, retirement or other similar benefits to our executive officers and directors. Our PRC subsidiaries are required by law to make contributions equal to certain percentages of each employee's salary for his or her pension insurance, medical insurance, unemployment insurance and other statutory benefits and a housing provident fund.

Employment Agreements and Indemnification Agreements

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

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

In addition, each executive officer has agreed to be bound by non-competition and non-solicitation restrictions during the term of his or her employment and typically for one year following the last date of employment. Specifically, each executive officer has agreed not to (i) approach our suppliers, clients, customers or contacts or other persons or entities introduced to the executive officer in his or her capacity as a representative of us for the purpose of doing business with such persons or entities that will harm our business relationships with these persons or entities; (ii) assume employment with or provide services to any of our competitors, or engage, whether as principal, partner, licensor or otherwise, any of our competitors, without our express consent; or (iii) seek directly or indirectly, to solicit the services of any of our employees who is employed by us on or after the date of the executive officer's termination, or in the year preceding such termination, without our express consent.

We have also entered into indemnification agreements with each of our directors and executive officers. Under these agreements, we agree to indemnify our directors and executive officers against certain liabilities and expenses incurred by such persons in connection with claims made by reason of their being a director or officer of our company.

2022 Share Incentive Plan

In connection with our dual primary listing on the Hong Kong Stock Exchange, our board of directors adopted a share incentive plan in March 2022, which we refer to as the 2022 Plan, to promote the success and enhance the value of our company by linking the personal interests of the directors, employees, and consultants to our shareholders, which became effective upon the our listing on the Hong Kong Stock Exchange. The maximum aggregate number of Class A ordinary shares which may be issued pursuant to all awards under the plan is the sum of (i) a maximum of 13,042,731 Class A ordinary shares which may be issued pursuant to awards in the form of options, and (ii) the sum of (A) 26,085,463 Class A ordinary shares and (B) 3,554,866 Class A ordinary shares equivalent to the unused portion of the number of shares of our 2012 Share Incentive Plan at its expiration, which may be issued pursuant to awards in the form of restricted share units. Unless approved by the shareholders in general meeting, the total number of Class A ordinary shares issued and to be issued upon the exercise of options granted and to be granted under the 2022 Plan and any other plan of ours to an eligible participant within any 12-month period shall not exceed 1% of the Class A Ordinary Shares issued and outstanding at the date of any grant. As of March 31, 2026, awards to purchase 14,807,393 Class A ordinary shares under the 2022 Plan have been granted and remain outstanding, excluding awards that were forfeited or canceled after the grant dates. Pursuant to the terms of the 2022 Plan, any shares distributed pursuant to an award may consist, in whole or in part, of authorized and unissued shares, or shares purchased on the open market.

The following paragraphs describe the principal terms of the 2022 Plan.

Types of Awards. The 2022 Plan permits the awards of options and restricted shares.

Plan Administration. The 2022 Plan may be administered by our board of directors, a committee of one or more members of the board of directors, or any director appointed to be the administrator. The administrator determines, among other things, the fair market value of ordinary shares, the employees and consultants eligible to receive awards, the number of options or restricted shares to be granted to each eligible employee, and the terms and conditions of each option grant.

Award Agreement. Awards granted under the 2022 Plan are evidenced by an award agreement that sets forth terms, conditions and limitations for each award, which is subject to any modification as determined by the administrator.

Eligibility. We may grant awards to directors, employees and consultants.

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

Exercise of Options. The plan administrator determines the exercise price for each award, which is stated in the award agreement shall not be lower than the fair market value of the Shares on the date of grant, which shall be the higher of: (i) the closing sales price for such shares or securities as quoted on the principal exchange or system on which our shares or securities are listed (as determined by the board or the committee delegated with the authority to administer the plan) on the date of grant, and (ii) average closing sales price as quoted on the principal exchange or system on which our shares or securities are listed for the five business days immediately preceding the date of grant.

Transfer Restrictions. Awards may not be transferred in any manner by the eligible employee other than in accordance with the exceptions provided in the 2022 Plan, such as by will or by the laws of descent or distribution.

Termination and Amendment of the 2022 Plan. Unless terminated earlier, the 2022 Plan has a term of ten years. The board of directors has the authority to terminate, amend, add to, or delete any of the provisions of the plan, subject to the restrictions set out in our memorandum and articles or associations. However, no termination, amendment or modification of the 2022 Plan may adversely affect in any material way any award previously granted pursuant to the 2022 Plan.

The following table summarizes, as of the date of this annual report, the number of restricted shares we have granted to certain of our directors and executive officers.

Name	Restricted shares	Purchase Price (US$/Share)	Date of Grant
Han Wang	2,500,000	0.01	February 19, 2024
Li-Lan Cheng	135,468	0.01	July 4, 2025
Hope Ni	135,468	0.01	July 4, 2025

As of March 31, 2026, employees other than our directors and executive officers as a group hold 13,130,207 restricted shares units outstanding under the 2022 Plan.

C. Board Practices

Board of Directors

Our board of directors currently consists of seven directors. A director is not required to hold any shares in our company by way of qualification. Subject to the New York Stock Exchange rules and the Hong Kong Listing Rules, and disqualification by the chairman of the board meeting, a director may vote with respect to any contract, proposed contract, or arrangement in which he is materially interested, provided that (i) such director, if his or her interest in such contract or arrangement is material, has declared the nature of his or her interest at the earliest meeting of the board at which it is practicable for him or her to do so, either specifically or by way of a general notice and (ii) if such contract or arrangement is a transaction with a related party, such transaction has been approved by the audit committee. The directors may exercise all the powers of the company to borrow money, mortgage or charge its undertaking, property, and uncalled capital, and issue debentures or other securities whenever money is borrowed or as security for any debt, liability, or obligation of the company or of any third party. None of our directors has a service contract with us that provides for benefits upon termination of service as a director.

Committees of the Board of Directors

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

Audit Committee. Our audit committee consists of Li-Lan Cheng, Hope Ni, and Derek Chen. Li-Lan Cheng is the chairman of our audit committee. We have determined that Li-Lan Cheng, Hope Ni, and Derek Chen each satisfies the "independence" requirements of Section 303A of the Corporate Governance Rules of the New York Stock Exchange and meet the independence standards under Rule 10A-3 under the Exchange Act, as amended. We have determined that Li-Lan Cheng qualifies as an "audit committee financial expert." The audit committee oversees our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee is responsible for, among other things:

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

Compensation Committee. Our compensation committee consists of Li-Lan Cheng, Hope Ni, and Yuan Zhou. Hope Ni is the chairman of our compensation committee. We have determined that Li-Lan Cheng and Hope Ni satisfy the "independence" requirements of Section 303A of the Corporate Governance Rules of the New York Stock Exchange. The compensation committee assists the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. Our chief executive officer may not be present at any committee meeting during which his compensation is deliberated. The compensation committee is responsible for, among other things:

- reviewing and approving, or recommending to the board for its approval, the compensation for our chief executive officer and other executive officers;
- reviewing and recommending to the board for determination with respect to the compensation of our non-employee directors;
- reviewing periodically and approving any incentive compensation or equity plans, programs or similar arrangements;
- selecting a compensation consultant, legal counsel or other adviser only after taking into consideration all factors relevant to that person's independence from management; and
- assuming other duties and responsibilities as required under the Corporate Governance Rules of the New York Stock Exchange and the Hong Kong Listing Rules.

Nomination Committee. Our nomination committee consists of Yuan Zhou, Hope Ni, Li-Lan Cheng, and Derek Chen. Hope Ni is the chairman of our nomination committee. We have determined that Hope Ni, Li-Lan Cheng, and Derek Chen satisfy the "independence" requirements of Section 303A of the Corporate Governance Rules of the New York Stock Exchange. The nomination committee assists the board of directors in selecting individuals qualified to become our directors and in determining the composition of the board and its committees. The nomination committee is responsible for, among other things:

- reviewing the structure, size and composition (including the skills, knowledge and experience) of the board at least annually and making recommendations on any proposed changes to the board to complement our corporate strategy;
- identifying individuals suitably qualified to become directors and selecting or making recommendations to the board on the selection of individuals nominated for directorships;
- assessing the independence of independent directors and making recommendations to the board as to determination of independence of independent directors; and
- making recommendations to the board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive officer.

Corporate Governance Committee. Our corporate governance committee consists of Li-Lan Cheng, Hope Ni, and Derek Chen. Derek Chen is the chairman of our corporate governance committee. We have determined that Hope Ni, Li-Lan Cheng, and Derek Chen satisfy the "independence" requirements of Section 303A of the Corporate Governance Rules of the New York Stock Exchange. The primary duties of the corporate governance committee are, among other things, to ensure that we are operated and managed for the benefit of all shareholders, to oversee the environmental, social, and governance ("ESG") matters relevant to us, to oversee our cybersecurity risk management and disclosure related to cybersecurity matters, and to ensure our compliance with the Hong Kong Listing Rules and safeguards relating to the weighted voting right structures of us. In accordance with Rule 8A.30 of the Hong Kong Listing Rules and the Corporate Governance Code as set out in Appendix 14 to the Hong Kong Listing Rules, the work of our corporate governance committee as set out in its terms of reference includes, among others:

- developing and reviewing our policies and practices on corporate governance to assure that they are appropriate for us and comply with the requirements of the Hong Kong Stock Exchange, and recommending any desirable changes to the board;
- reviewing and monitoring the training and continuous professional development of directors and senior management;
- reviewing and monitoring our policies and practices on compliance with legal and regulatory requirements;
- advising the board periodically with respect to significant developments in the law and practice of corporate governance as well as our compliance with applicable laws and regulations, such as our compliance with Appendix 14 to the Hong Kong Listing Rules, and making recommendations to the board on all matters of corporate governance and on any corrective action to be taken;
- guiding and reviewing the formulation of our ESG vision, strategies and plans, reporting and making recommendations to the board accordingly, assisting the board in identifying and evaluating our ESG-related risks and opportunities;
- reviewing and monitoring whether we are operated and managed for the benefit of all our shareholders; and
- reviewing and monitoring all risks related to our weighted voting rights structure and the management of conflicts of interests, make a recommendation to the board on any matter where there is any risk or a potential conflict of interest between Zhihu and any beneficiary of weighted voting rights, and confirm, on an annual basis, that the beneficiaries of weighted voting rights have complied with certain Hong Kong Listing Rules.

Duties of Directors

Under Cayman Islands law, our directors owe fiduciary duties to our company, including a duty of loyalty, a duty to act honestly, and a duty to act in what they consider in good faith to be in our best interests. Our directors must also exercise their powers only for a proper purpose. Our directors also have a duty to exercise the skill they actually possess and such care and diligence that a reasonably prudent person would exercise in comparable circumstances. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association, as amended and restated from time to time, and the class rights vested thereunder in the holders of the shares. Our company has the right to seek damages if a duty owed by our directors is breached. A shareholder may in certain circumstances have rights to damages if a duty owed by the directors is breached.

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

- convening shareholders' annual general meetings and reporting its work to shareholders at such meetings;
- declaring dividends and distributions;
- appointing officers and determining the term of office of the officers;
- exercising the borrowing powers of our company and mortgaging the property of our company; and
- approving the transfer of shares in our company, including the registration of such shares in our share register.

Terms of Directors and Officers

Our directors may be elected by an ordinary resolution of our shareholders. Each Class A ordinary share and each Class B ordinary share shall entitle its holder to one vote on a poll at a general meeting in respect of a resolution approving the appointment, election or removal of any Independent Non-executive Director (as defined in our eleventh amended and restated memorandum and articles of association). Alternatively, our board of directors may, by the affirmative vote of a simple majority of the directors present and voting at a board meeting appoint any person as a director to fill a casual vacancy on our board or as an addition to the existing board. Any director so appointed shall hold office only until the first annual general meeting of the Company after his or her appointment and shall then be eligible for re-election at that meeting. Our directors are not automatically subject to a term of office and hold office until such time as they are removed from office by an ordinary resolution of our shareholders. At every annual general meeting of the Company, the Independent Non-Executive Directors for the time being shall retire from office by rotation provided that every Independent Non-Executive Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Independent Non-Executive Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. In addition, a director will cease to be a director if he

(i) becomes bankrupt or makes any arrangement or composition with his creditors;

(ii) dies or is found to be or becomes of unsound mind;

(iii) resigns his office by notice in writing;

(iv) without special leave of absence from our board, is absent from meetings of our board for three consecutive meetings and our board resolves that his office be vacated; or

(v) is removed from office pursuant to any other provision of our articles of association.

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

D. Employees

As of December 31, 2023, 2024 and 2025, we had 2,731, 1,887 and 1,154 full-time employees, respectively, all of whom were based in China, primarily at our headquarters in Beijing, China.

The following table sets forth the number of our employees by function as of December 31, 2025.

Function	Number of Employees	Percentage
Content and Content-Related Operations	269	23.3 %
Research and Development	472	40.9 %
Sales and Marketing	295	25.6 %
General Administration	118	10.2 %
Total	**1,154**	**100 %**

Our success depends on our ability to attract, retain, and motivate qualified personnel. We offer employees competitive salaries, performance-based cash bonuses, regular awards, and long-term incentives. We consider that we maintain a generally 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 2023, 2024 and 2025. However, as our operations may further expand, we cannot assure you that we will always be able to maintain good relations with all of our employees.

We primarily recruit our employees through on-campus job fairs, industry referrals, online channels, and recruitment agencies. In addition to on-the-job training, we have adopted a training system, pursuant to which management, technology, regulatory, and other trainings are regularly provided to our employees by internally sourced speakers or externally hired consultants. To efficiently manage our human resources, 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. In addition, we have in place an anti-bribery and anti-corruption 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. Improper payments prohibited by the policy include bribes, kickbacks, excessive gifts or facilitation payment, or any other payment made or offered to obtain an undue business advantage. We keep accurate books and records that reflect the substance of transactions and asset dispositions in reasonable detail. We specifically require that the employees submit all reimbursement requests related to entertainment related fee or gifts presented to third parties on behalf of the company in accordance with our expense expenditure policy, and specifically record the reason for the expenditure. We also have regular trainings for employees regarding anti-bribery and anti-corruption policies to facilitate better implementation.

As required by PRC laws and regulations in respect of our PRC employment, we participate in housing fund and various employee social insurance plans that are organized by applicable competent authorities, including housing, pension, medical, work-related injury, maternity, and unemployment insurance, under which we make contributions at specified percentages of the salaries of our employees. We also purchase certain supplemental health and accidental insurance coverage for our employees. Bonuses are generally discretionary and based in part on the overall performance of our business and in part on employee individual performance. We have adopted share incentive plans to grant share-based incentive awards to our eligible employees to incentivize their contributions to our growth and development.

We enter into standard confidentiality and employment agreements with our employees. The contracts with our key personnel typically include a standard non-compete covenant that prohibits the employee from competing with us, directly or indirectly, during his or her employment and typically for one year after the termination of his or her employment, provided that we pay a certain amount of compensation during the restriction period.

E. Share Ownership

The following table sets forth information with respect to the beneficial ownership of our ordinary shares as of March 31, 2026 by:

- each of our directors and executive officers; and
- each person known to us to own beneficially more than 5% of our ordinary shares.

The calculations in the shareholder table below are based on 249,108,347 Class A ordinary shares (excluding 5,307,759 Class A ordinary shares issued to the depositary bank for bulk issuance of ADSs reserved for future issuances upon the exercise or vesting of awards granted under our share incentive plan) and 15,446,778 Class B ordinary shares issued and outstanding as of March 31, 2026.

	Class A Ordinary Shares	Class B Ordinary Shares	% of Beneficial Ownership†	% of Aggregate Voting Power††
Directors and Executive Officers:**				
Yuan Zhou[(1)]	21,407,800	15,446,778	13.9	43.6
Han Wang[(2)]	1,579,995	—	0.6	0.4
Dahai Li[(3)]	1,772,492	—	0.7	0.4
Zhaohui Li	—	—	—	—
Bing Yu	—	—	—	—
Li-Lan Cheng	—	—	—	—
Hope Ni[(4)]	10,000	—	*	*
Derek Chen[(5)]	10,000	—	*	*
All Directors and Executive Officers as a Group	24,780,287	15,446,778	15.2	44.4
Principal Shareholders:				
MO Holding Ltd[(1)]	21,407,800	15,446,778	13.9	43.6
Tencent Entities[(6)]	38,066,599	—	14.4	9.4
Cosmic Blue Investments Limited[(7)]	19,975,733	—	7.6	4.9
AI Knowledge LLC[(8)]	17,865,410	—	6.8	4.4
Plus Channel Limited[(9)]	25,571,627	—	9.7	6.3
FIL Limited[(10)]	13,866,806	—	5.2	3.4

Notes:

* Less than 0.1%.

** Except as otherwise indicated below, the business address of our directors and executive officers is 18 Xueqing Road, Haidian District, Beijing 100083, People's Republic of China. The business address of Mr. Zhaohui Li is 10/F, China Technology Trade Center, No. 66 North 4th Ring West Road, Haidian District, Beijing, People's Republic of China. The business address of Mr. Bing Yu is No. 26 Xierqi Middle Road, Haidian District, Beijing, People's Republic of China. The business address of Mr. Li-Lan Cheng is 296 Orchid Garden, 18 Xinjin Road, Chaoyang District, Beijing, People's Republic of China. The business address of Ms. Hope Ni is House 17B, Shouson Peak, 9-19 Shouson Hill Road, Deep Water Bay, Hong Kong. The business address of Mr. Derek Chen is 1601, G3, Bihaiyuan, 97 Yaojiayuan Road, Beijing, China 100026.

† For each person and group included in this column, percentage ownership is calculated by dividing the number of shares beneficially owned by such person or group by the sum of the total number of shares outstanding and the number of shares such person or group has the right to acquire upon exercise of option, warrant or other right within 60 days after March 31, 2026.

†† For each person and group included in this column, percentage of voting power is calculated by dividing the voting power beneficially owned by such person or group by the voting power of all of our Class A and Class B ordinary shares as a single class. Each holder of Class B ordinary shares is entitled to ten votes per share, subject to certain conditions, and each holder of our Class A ordinary shares is entitled to one vote per share on all matters submitted to them for a vote. Our Class A ordinary shares and Class B ordinary shares vote together as a single class on all matters submitted to a vote of our shareholders, except as may otherwise be required by law. Our Class B ordinary shares are convertible at any time by the holder thereof into Class A ordinary shares on a one-for-one basis.

(1) Represents 21,407,800 Class A ordinary shares, including 9,621,477 Class A ordinary shares granted on April 8, 2022, or the CEO Award Shares, and 15,446,778 Class B ordinary shares held by MO Holding Ltd. MO Holding Ltd is a company incorporated in the British Virgin Islands. More than 99% of the interest of MO Holding Ltd is held by South Ridge Global Limited, which is wholly controlled by a trust that was established for the benefit of Mr. Zhou and his family, and the remaining interest of MO Holding Ltd is held Mr. Zhou. The registered address of MO Holding Ltd is Start Chambers, Wickham's Cay II, P.O. Box 2221, Road Town, Tortola, British Virgin Islands. Mr. Zhou has undertaken and covenanted that, unless and until the performance results targets set by the audit committee of the board directors have been met, (a) he shall not offer, pledge, sell, contract to sell, lend, or otherwise transfer or dispose of, directly or indirectly, any interest in the CEO Award Shares; and (b) he will cast votes of all of the CEO Award Shares at our shareholder meetings or with respect to written resolution of shareholders in the manner consistent with the views and suggestions of the board of directors; he will abstain from voting if no such view or suggestion is formulated by the board as a whole.

(2) Represents 1,579,995 Class A ordinary shares acquired upon vesting of a portion of restricted share units granted to Mr. Wang.

(3) Represents (i) 99,450 Class A ordinary shares held by Mr. Dahai Li in the form of ADSs, and (ii) 1,673,042 Class A ordinary shares held by Ocean Alpha Investment Limited, a company incorporated in the British Virgin Islands. Ocean Alpha Investment Limited is wholly controlled by a trust that was established for the benefit of Mr. Dahai Li and his family. The registered address of Ocean Alpha Investment Limited is Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.

(4) Represents 10,000 Class A ordinary shares acquired upon vesting of a portion of restricted share units granted to Ms. Ni.

(5) Represents 10,000 Class A ordinary shares acquired upon vesting of a portion of restricted share units granted to Mr. Chen.

(6) Represents (i) 10,617,666 Class A ordinary shares held by Image Frame Investment (HK) Limited, a company incorporated in Hong Kong, and (ii) 27,448,933 Class A ordinary shares held by Huang River Investment Limited, a company incorporated in the British Virgin Islands. Image Frame Investment (HK) Limited and Huang River Investment Limited, or Tencent Entities, are subsidiaries of Tencent Holdings Limited. The address of principal offices of each of Image Frame Investment (HK) Limited and Huang River Investment Limited is Level 29, Three Pacific Place, No. 1 Queen's Road East, Wanchai, Hong Kong. Information regarding beneficial ownership is reported as of September 28, 2025, based on the information contained in the form of disclosure of interests filed by Tencent Holdings Limited with the Hong Kong Stock Exchange on September 30, 2025.

(7) Represents 19,975,733 Class A ordinary shares held by Cosmic Blue Investments Limited, a company incorporated in the British Virgin Islands. Cosmic Investments Limited is wholly owned by Kuaishou Technology (HKEX: 1024). The registered address of Cosmic Blue Investments Limited is Kingston Chambers, P.O. Box 173, Road Town, Tortola, British Virgin Islands. Information regarding beneficial ownership is reported as of September 26, 2025, based on the information contained in the form of disclosure of interests filed by Cosmic Blue Investments Limited with the Hong Kong Stock Exchange on September 29, 2025.

(8) Represents 17,865,410 Class A ordinary shares held by AI Knowledge LLC, a company incorporated in the United States. AI Knowledge LLC is wholly owned by Access Industries Management, LLC, which is wholly owned by Len Blavatnik. The registered address of AI Knowledge LLC is 251 Little Falls Drive, Wilmington, DE, 19808, USA. Information regarding beneficial ownership is reported as of November 8, 2024, based on the information contained in the Schedule 13D/A filed by AI Knowledge LLC and Access Industries Management, LLC with the SEC on November 13, 2024.

(9) Represents (i) 24,704,127 Class A ordinary shares in the form of 8,234,709 ADSs and (ii) 867,500 Class A ordinary shares held by Plus Channel Limited, a company incorporated in the British Virgin Islands. Plus Channel Limited is wholly owned by Kastle Limited, a company incorporated in Hong Kong. Plus Channel Limited conducts share repurchases under our publicly announced share repurchase programs on the New York Stock Exchange and the Hong Kong Stock Exchange at our authorization and instructions. The registered address of Plus Channel Limited is Sertus Chambers, P.O. Box 905, Quastisky Building, Road Town, Tortola, British Virgin Islands.

(10) Represents 13,866,806 Class A ordinary shares held by FIL Limited. The registered address of FIL Limited is embroke Hall, 42 Crow Lane, Hamilton, Bermuda, HM19. Information regarding beneficial ownership is reported as of September 16, 2025, based on the information contained in the form of disclosure of interests filed by FIL Limited with the Hong Kong Stock Exchange on September 17, 2025.

To our knowledge and based on our review of our register of members as of March 31, 2026, we had 62,297,507 Class A ordinary shares, including Class A ordinary shares issued to our depositary bank for bulk issuance of ADSs reserved for future issuances upon the exercise or vesting of awards granted under our share incentive plan, that were held of record by one holder that resides in the United States, being JPMorgan Chase Bank, N.A., the depositary of our ADS program. The number of beneficial owners of our ADSs in the United States is likely to be much larger than the number of record holders of our Class A ordinary shares in the United States. We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company.

F. Disclosure of A Registrant's Action to Recover Erroneously Awarded Compensation

Not applicable.

Item 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

See "Item 6. Directors, Senior Management and Employees—E. Share Ownership."

B. Related Party Transactions

Contractual Arrangements with the VIEs and Their Shareholders

See "Item 4. Information on the Company—C. Organizational Structure."

Private Placements

See "Item 4. Information on the Company—A. History and Development of the Company."

Employment Agreements and Indemnification Agreements

See "Item 6. Directors, Senior Management and Employees—B. Compensation—Employment Agreements and Indemnification Agreements."

Share Incentive Plan

See "Item 6. Directors, Senior Management and Employees—B. Compensation - 2022 Share Incentive Plan."

Other Transactions with Related Parties

Transactions with Tencent entities. Our transactions with Tencent Holdings Limited, one of our principal beneficial owners, and its subsidiaries, included (i) purchase of services which primarily related to payment services and cloud and bandwidth services, amounting to RMB28.8 million, RMB25.9 million and RMB22.9 million (US$3.3 million) in 2023, 2024 and 2025, respectively; and (ii) provision of services which primarily related to marketing services, amounting to RMB29.2 million, RMB16.5 million and RMB17.2 million (US$2.5 million) in 2023, 2024 and 2025, respectively. The amount due from the Tencent entities were RMB2.3 million, RMB6.6 million and RMB13.5 million (US$1.9 million) as of December 31, 2023, 2024 and 2025, respectively, and the amount due to the Tencent entities were RMB7.2 million, RMB4.9 million and RMB3.5 million (US$0.5 million) as of December 31, 2023, 2024 and 2025, respectively.

Transactions with Kuaishou entities. Our transactions with Kuaishou Technology, one of our principal beneficial owners, and its subsidiaries, included (i) purchase of services which primarily related to marketing services and cloud and bandwidth services, amounting to RMB10.8 million, RMB60.1 million and RMB28.2 million (US$4.0 million) in 2023, 2024 and 2025, respectively; and (ii) provision of services, which primarily related to marketing services, amounting to RMB5.4 million, RMB11.7 million and RMB30.0 million (US$4.3 million) in 2023, 2024 and 2025, respectively. The amount due from the Kuaishou entities was RMB2.5 million, RMB11.3 million and RMB12.1 million (US$1.7 million) as of December 31, 2023, 2024 and 2025, respectively, and the amount due to the Kuaishou entities was RMB4.2 million, RMB2.0 million and RMB0.4 million (US$0.1 million) as of December 31, 2023, 2024 and 2025, respectively.

Transactions with ModelBest. Our transactions with Beijing ModelBest Intelligent Technology Co., Ltd., or Mianbi, one of the companies we invested in, included provision of other services, are immaterial in 2023, 2024 and 2025. The amount due from Mianbi, which primarily related to expenditures paid by us on behalf of Mianbi, amounting to RMB13.6 million, RMB23.7 million and nil as of December 31, 2023, 2024 and 2025.

Transactions with BRTS. Our transactions with Beijing Radio and Television Station, or BRTS, a shareholder of Zhizhe Tianxia, included purchase of services which primarily related to consulting service and marketing service, amounting to RMB5.7 million and RMB2.8 million (US$0.4 million) in 2024 and 2025.

Transactions with Civil Spectrum. Civil Spectrum Limited, or Civil Spectrum, is one of the companies we invested in. We had amount due to Civil Spectrum, which related to the unpaid consideration for our investment, of RMB12.3 million (US$1.8 million) as of December 31, 2025, and no other transactions occurred for the year ended December 31, 2025.

C. Interests of Experts and Counsel

Not applicable.

Item 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

We have appended consolidated financial statements filed as part of this annual report.

Legal Proceedings

We may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of our business. We are currently not a party to any material legal or administrative proceedings. Litigation or any other legal or administrative proceeding, regardless of the outcome, could result in substantial costs and diversion of our resources, including our management's time and attention.

Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial costs and diversion of our resources, including our management's time and attention. For potential impact of legal or administrative proceedings on us, see "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business and Industry—We may be subject to regulatory actions or legal proceedings in the ordinary course of our business. If the outcomes of these regulatory actions or legal proceedings are adverse to us, it could materially and adversely affect our business, financial condition, and results of operations."

Dividend Policy

Our board of directors has discretion on whether to distribute dividends, subject to certain requirements of Cayman Islands law. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our board of directors. In either case, all dividends are subject to certain restrictions under Cayman Islands law, namely that our company may only pay dividends out of profits or share premium, and provided always that in no circumstances may a dividend be paid if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business. Even if we decide to pay dividends, the form, frequency, and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions, and other factors that the board of directors may deem relevant.

We do not have any present plan to pay any cash dividends on our ordinary shares in the foreseeable future. We currently intend to retain most, if not all, of our available funds and any future earnings our business operations.

We are a holding company incorporated in the Cayman Islands. We may rely on dividends from our subsidiaries in China for our cash requirements, including any payment of dividends to our shareholders. PRC regulations may restrict the ability of our PRC subsidiaries to pay dividends to us. See "Item 4. Information on the Company —B. Business Overview—Regulations—Regulations Relating to Dividend Distribution."

If we pay any dividends on our Class A ordinary shares, we will pay those dividends that are payable in respect of the Class A ordinary shares underlying our ADSs to the depositary, as the registered holder of such Class A ordinary shares, and the depositary then will pay such amounts to holders of ADSs in proportion to the Class A ordinary shares underlying the ADSs held by such ADS holders, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. Cash dividends on our Class A ordinary shares, if any, will be paid in U.S. dollars.

B. Significant Changes

Except as disclosed elsewhere in this annual report, we have not experienced any significant changes since the date of our audited consolidated financial statements included in this annual report.

Item 9. THE OFFER AND LISTING

A. Offer and Listing Details

Our ADSs have been listed on New York Stock Exchange since March 26, 2021. The ADSs trade under the ticker symbol "ZH." Each ADS currently represents three Class A ordinary shares, par value US$0.000125 per share.

B. Plan of Distribution

Not applicable.

C. Markets

Our ADSs have been listed on New York Stock Exchange since March 26, 2021. The ADSs trade under the ticker symbol "ZH." Each ADS currently represents three Class A ordinary shares, par value US$0.000125 per share.

Our Class A ordinary shares have been listed on the Hong Kong Stock Exchange since April 22, 2022 under the stock code "2390."

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

We are a Cayman Islands exempted company and our affairs are governed by our memorandum and articles of association, as amended from time to time, the Companies Act (As Revised) of the Cayman Islands, which we refer to as the Companies Act below, and the common law of the Cayman Islands.

Our shareholders have conditionally adopted the eleventh amended and restated memorandum and articles of association, which became effective on June 10, 2022. The following are summaries of material provisions of the eleventh amended and restated memorandum and articles of association and of the Companies Act, insofar as they relate to the material terms of our ordinary shares.

Registered Office and Objects

Pursuant to Article 2 of our eleventh amended and restated memorandum of association, our registered office is at the offices of Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands, or at such other location within the Cayman Islands as our directors may from time to time determine. Pursuant to Article 3 of our eleventh amended and restated memorandum of association, the objects for which our company is established are unrestricted and our company shall have full power and authority to carry out any object not prohibited by the Companies Act or any other law of the Cayman Islands.

Directors

See "Item 6. Directors, Senior Management and Employees—C. Board Practices."

Ordinary Shares

General. Our ordinary shares are divided into Class A ordinary shares and Class B ordinary shares. Holders of our Class A ordinary shares and Class B ordinary shares will have the same rights except for voting and conversion rights. Our ordinary shares are issued in registered form and are issued when registered in our register of members. We may not issue shares to bearer. Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their shares.

Conversion. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof. Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. Class B Ordinary Shares shall only be held by Mr. Yuan Zhou or a director holding vehicle as defined in our eleventh amended and restated memorandum of association. Subject to the Hong Kong Listing Rules or other applicable laws or regulations, each Class B ordinary share shall be automatically converted into one Class A ordinary share upon the occurrence of any of the following events:

- the death of the holder of such Class B ordinary share (or, where the holder is a director holding vehicle, the death of Mr. Yuan Zhou);
- the holder of such Class B ordinary share ceasing to be a director or a director holding vehicle for any reason;
- the holder of such Class B ordinary share (or, where the holder is a director holding vehicle, Mr. Yuan Zhou) being deemed by The Stock Exchange of Hong Kong Limited to be incapacitated for the purpose of performing his duties as a director;
- the holder of such Class B ordinary share (or, where the holder is a director holding vehicle, Mr. Yuan Zhou) being deemed by The Stock Exchange of Hong Kong Limited to no longer meet the requirements of a director set out in the Hong Kong Listing Rules; or
- any direct or indirect sale, transfer, assignment, or disposition of the beneficial ownership of, or economic interest in, such Class B ordinary share or the control over the voting rights attached to such Class B ordinary share through voting proxy or otherwise to any person, including by reason that a director holding vehicle no longer complies with Rule 8A.18(2) of the Hong Kong Listing Rules (in which case we and Mr. Yuan Zhou or the director holding vehicle must notify The Stock Exchange of Hong Kong Limited as soon as practicable with details of the non-compliance), other than a transfer of the legal title to such Class B ordinary share by Mr. Yuan Zhou to a director holding vehicle wholly-owned and wholly controlled by him, or by a director holding vehicle to Mr. Yuan Zhou or another director holding vehicle wholly-owned and wholly controlled by Mr. Yuan Zhou.

For the avoidance of doubt, the creation of any pledge, charge, encumbrance, or other third party right of whatever description on any of Class B ordinary shares to secure a holder's contractual or legal obligations shall not be deemed as a sale, transfer, assignment, or disposition under this Article 14 unless and until any such pledge, charge, encumbrance, or other third party right is enforced and results in a third party that is not Mr. Yuan Zhou or the director holding vehicle wholly-owned and wholly controlled by Mr. Yuan Zhou holding directly or indirectly legal or beneficial ownership or voting power through voting proxy or otherwise to the related Class B ordinary shares, in which case all the related Class B ordinary shares shall be automatically converted into the same number of Class A ordinary shares. All of the Class B ordinary shares in the authorised share capital shall be automatically re-designated into Class A ordinary shares in the event all of the Class B ordinary shares in issue are converted into Class A ordinary shares, or that none of the holders of Class B ordinary shares at the time of our initial listing on The Stock Exchange of Hong Kong Limited hold any Class B ordinary shares, and no further Class B ordinary shares shall be issued by us.

Furthermore, our eleventh amended and restated memorandum of association provide that in the event we reduce the number of Class A ordinary shares in issue (e.g. through a purchase of its own shares), the holders of Class B ordinary shares shall reduce their weighted voting rights in us proportionately, whether through a conversion of a portion of their Class B ordinary shares or otherwise, if the reduction in the number of Class A ordinary shares in issue would otherwise result in an increase in the proportion of Class B ordinary shares to the total number of shares in issue.

No further Class B ordinary shares shall be issued by us, except with the prior approval of The Stock Exchange of Hong Kong Limited and pursuant to (i) an offer to subscribe for ordinary shares made to all the shareholders pro rata (apart from fractional entitlements) to their existing holdings; (ii) a pro rata issue of ordinary shares to all the shareholder by way of scrip dividends; or (iii) an ordinary share subdivision or other similar capital reorganization; provided that, each shareholder shall be entitled to subscribe for (in a pro rata offer) or be issued (in an issue of ordinary shares by way of scrip dividends) ordinary shares in the same class as the ordinary shares then held by him, notwithstanding the provisions of Article 23 of our eleventh amended and restated memorandum of association; and further provided that the proposed allotment or issuance will not result in an increase in the proportion of Class B ordinary shares in issue, so that: (a) if, under a pro rata offer, any holder of Class B ordinary shares does not take up any part of the Class B ordinary shares or the rights thereto offered to him, such untaken Shares (or rights) shall only be transferred to another person on the basis that such transferred rights will only entitle the transferee to an equivalent number of Class A ordinary shares; and (b) to the extent that rights to Class A ordinary shares in a pro rata offer are not taken up in their entirety, the number of Class B ordinary shares that shall be allotted, issued or granted in such pro rata offer shall be reduced proportionately.

We shall not take any action (including the issue or repurchase of ordinary shares of any class) that would result in (a) the aggregate number of votes entitled to be cast by all holders of Class A ordinary shares (for the avoidance of doubt, excluding those who are also holders of Class B ordinary shares) present at a general meeting to be less than 10% of the votes entitled to be cast by all members at a general meeting; or (b) an increase in the proportion of Class B ordinary shares to the total number of ordinary shares in issue.

Dividends. Our directors may from time to time declare dividends (including interim dividends) and other distributions on our shares in issue and authorize payment of the same out of the funds of our company lawfully available therefor. In addition, our shareholders may declare dividends by ordinary resolution, but no dividend may exceed the amount recommended by our directors. Our eleventh amended and restated memorandum and articles of association provide that dividends may be declared and paid out of the funds of our company lawfully available therefor. Under the laws of the Cayman Islands, our company may pay a dividend out of either profit or share premium account; provided that in no circumstances may a dividend be paid if that would result in our company being unable to pay its debts as they fall due in the ordinary course of business.

Voting Rights. Subject to any rights and restrictions for the time being attached to any ordinary share, every shareholder present shall, at a general meeting of our company, have the right to speak. Notwithstanding any provisions in our eleventh amended and restated memorandum and articles of association to the contrary, each Class A ordinary share and each Class B ordinary share shall entitle its holder to one vote on a poll at a general meeting in respect of a resolution on any of the following matters:

(a) any amendment to our eleventh amended and restated memorandum and articles of association, including the variation of the rights attached to any class of shares;

(b) the appointment, election or removal of any independent non-executive director;

(c) the appointment or removal of the auditors; or

(d) the voluntary liquidation or winding-up of our company.

Notwithstanding the foregoing, where a holder of Class B ordinary shares is permitted by The Stock Exchange of Hong Kong Limited from time to time to exercise more than one vote per ordinary share when voting on a resolution to amend our eleventh amended and restated memorandum and articles of association, any holder of Class B ordinary share may elect to exercise such number of votes per ordinary share as is permitted by The Stock Exchange of Hong Kong Limited, up to the maximum number of votes attached to each Class B ordinary share as set out above.

Except for matters mentioned above, on a show of hands every shareholder present at the meeting shall, at a general meeting of our company, each have one vote, and on a poll each holder of Class A ordinary shares present at the meeting is entitled to one vote per share and each holder of Class B ordinary shares present at the meeting is entitled to ten votes per share. At any general meeting a resolution put to the vote of the meeting shall be decided on a poll save that the chairman of such meeting may, in good faith, allow a resolution which relates purely to a procedural or administrative matter as prescribed under the Hong Kong Listing Rules to be voted on by a show of hands.

An ordinary resolution to be passed at a meeting by the shareholders requires the affirmative vote of a simple majority of the votes attaching to the ordinary shares cast at a meeting, while a special resolution requires the affirmative vote of not less than three-fourths of the votes cast by holders of the issued and outstanding ordinary shares at a meeting and includes a unanimous written resolution passed. A special resolution will be required for important matters such as reduction of share capital or making changes to our eleventh amended and restated memorandum and articles of association.

General Meetings of Shareholders. As a Cayman Islands exempted company, we are not obliged by the Companies Act to call shareholders' annual general meetings. Our eleventh amended and restated memorandum and articles of association provide that we shall in each financial year hold a general meeting as our annual general meeting in which case we will specify the meeting as such in the notices calling it, and the annual general meeting will be held at such time and place as may be determined by our directors.

Shareholders' general meetings may be convened by the chairman of our board of directors or by our directors (acting by a resolution of our board). An annual general meeting shall be called by not less than 21 days' notice in writing and any other general meeting (including an extraordinary general meeting) shall be called by not less than 14 days' notice in writing. A quorum required for any general meeting of shareholders consists of one or more of our shareholders holding shares which carry in aggregate (or representing by proxy) not less than 10% of all votes attaching to the issued and outstanding shares in our company entitled to vote at such general meeting (on a one vote per ordinary share basis).

The Companies Act provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our eleventh amended and restated memorandum and articles of association provide that upon the requisition of any one or more of our shareholders holding shares which carry in aggregate not less than one-tenth of the paid up capital of our company, on a one vote per share basis, that as at the date of the deposit entitled to vote at general meetings, our board will convene an extraordinary general meeting and put the resolutions so requisitioned to a vote at such meeting. The requisition must state the objects of the meeting and the resolutions to be added to the meeting agenda.

Transfer of Ordinary Shares. Subject to the restrictions set out below, any of our shareholders may transfer all or any of his or her ordinary shares by an instrument of transfer in the usual or common form or any other form approved by our board of directors. The instrument of transfer of any ordinary share shall be in writing and shall be executed with a manual signature or facsimile signature (which may be machine imprinted or otherwise) by or on behalf of the transferor and transferee provided that in the case of execution by facsimile signature by or on behalf of a transferor or transferee, our board of directors shall have previously been provided with a list of specimen signatures of the authorised signatories of such transferor or transferee and our board of directors shall be reasonably satisfied that such facsimile signature corresponds to one of those specimen signatures.

Our board of directors may, in its absolute discretion, decline to register any transfer of any ordinary share which is not fully paid up or on which we have a lien. Our board of directors may also decline to register any transfer of any ordinary share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate for the ordinary shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of ordinary shares;
- the instrument of transfer is properly stamped, if required;
- in the case of a transfer to joint holders, the number of joint holders to whom the ordinary share is to be transferred does not exceed four;
- the shares are free from any lien in favor of the Company; and

- a fee of such maximum sum as the New York Stock Exchange may determine to be payable or such lesser sum as our directors may from time to time require is paid to us in respect thereof.

If our directors refuse to register a transfer they must, within three calendar months after the date on which the instrument of transfer was lodged, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, on ten calendar days' notice being given by advertisement in such one or more newspapers, by electronic means or by any other means in accordance with the rules of the New York Stock Exchange be suspended and the register closed at such times and for such periods as our board of directors may from time to time determine; provided, however, that the registration of transfers may not be suspended nor the register closed for more than 30 days in any year as our board may determine.

Liquidation. On the winding up of our company, if the assets available for distribution amongst our shareholders will be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus will be distributed amongst our shareholders in proportion to the par value of the shares held by them at the commencement of the winding up, subject to a deduction from those shares in respect of which there are monies due, of all monies payable to our company for unpaid calls or otherwise. If our assets available for distribution are insufficient to repay all of the paid-up capital, such assets will be distributed so that, as nearly as may be, the losses are borne by our shareholders in proportion to the par value of the shares held by them.

Calls on Shares and Forfeiture of Shares. Our board of directors may from time to time make calls upon shareholders for any amounts unpaid on their shares in a notice served to such shareholders at least 14 calendar days prior to the specified time and place of payment. The shares that have been called upon and remain unpaid are subject to forfeiture.

Redemption, Repurchase and Surrender of Shares. We may issue shares on terms that such shares are subject to redemption, at our option or at the option of the holders of these shares, on such terms and in such manner as may be determined, before the issue of such shares, by our board of directors or by our shareholders by special resolution. Our company may also repurchase any of our shares on such terms and in such manner as have been approved by our board of directors or by an ordinary resolution of our shareholders, provided always that any such purchase shall only be made in accordance with any relevant code, rules, or regulations issued by The Stock Exchange of Hong Kong Limited or the Securities and Futures Commission of Hong Kong from time to time in force. Under the Companies Act, the redemption or repurchase of any share may be paid out of our company's profits or out of the proceeds of a new issue of shares made for the purpose of such redemption or repurchase, or out of capital (including share premium account and capital redemption reserve) if our company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. In addition, under the Companies Act no such share may be redeemed or repurchased (a) unless it is fully paid up, (b) if such redemption or repurchase would result in there being no shares outstanding or (c) if the company has commenced liquidation. In addition, our company may accept the surrender of any fully paid share for no consideration.

Variation of Rights of Shares. Whenever the capital of our company is divided into different classes, the rights attached to any such class may, subject to any rights or restrictions for the time being attached to any class, only be materially adversely varied with the consent in writing of the holders of all of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. The rights conferred upon the holders of the shares of any class issued will not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation, allotment, or issue of further shares ranking *pari passu* with such existing class of shares.

Issuance of Additional Shares. Our eleventh amended and restated memorandum and articles of association authorize our board of directors to issue additional ordinary shares from time to time as our board of directors may determine, to the extent of available authorized but unissued shares. No further Class B ordinary shares shall be issued by us, except with the prior approval of The Stock Exchange of Hong Kong Limited and pursuant to (i) an offer to subscribe for ordinary shares made to all the shareholders pro rata (apart from fractional entitlements) to their existing holdings; (ii) a pro rata issue of ordinary shares to all the shareholder by way of scrip dividends; or (iii) a ordinary share subdivision or other similar capital reorganization; provided that, each shareholder shall be entitled to subscribe for (in a pro rata offer) or be issued (in an issue of ordinary shares by way of scrip dividends) ordinary shares in the same class as the ordinary shares then held by him, notwithstanding the provisions of Article 23 of our eleventh amended and restated memorandum of association; and further provided that the proposed allotment or issuance will not result in an increase in the proportion of Class B ordinary shares in issue, so that: (a) if, under a pro rata offer, any holder of Class B ordinary shares does not take up any part of the Class B ordinary shares or the rights thereto offered to him, such untaken Shares (or rights) shall only be transferred to another person on the basis that such transferred rights will only entitle the transferee to an equivalent number of Class A ordinary shares; and (b) to the extent that rights to Class A ordinary shares in a pro rata offer are not taken up in their entirety, the number of Class B ordinary shares that shall be allotted, issued or granted in such pro rata offer shall be reduced proportionately.

Subject to the Articles and compliance with the Hong Kong Listing Rules and the Takeovers Code, and on the conditions that (a) no new Class of Shares with voting rights superior to those of Class A Ordinary Shares will be created; and (b) any variations in the relative rights as between the different classes will not result in the creation of new Class of Shares with voting rights superior to those of Class A ordinary shares, our eleventh amended and restated memorandum and articles of association also authorize our board of directors to establish from time to time one or more series of preference shares and to determine, with respect to any series of preference shares, the terms and rights of that series, including:

- the designation of the series;
- the number of shares of the series;
- the dividend rights, dividend rates, conversion rights, voting rights; and
- the rights and terms of redemption and liquidation preferences.

Our board of directors may issue preference shares without action by our shareholders to the extent authorized but unissued. Issuance of these shares may dilute the voting power of holders of ordinary shares.

Inspection of Books and Records. Holders of our ordinary shares will have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records (other than copies of our memorandum and articles of association and register of mortgages and charges, and any special resolution passed by our shareholders). However, we intend to provide our shareholders with annual audited financial statements.

Exempted Company. We are an exempted company with limited liability under the Companies Act. The Companies Act distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except that an exempted company:

- does not have to file an annual return of its shareholders with the Registrar of Companies;
- is not required to open its register of members for inspection;
- does not have to hold an annual general meeting;
- may issue negotiable or bearer shares or shares with no par value;
- may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);
- may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- may register as a limited duration company; and
- may register as a segregated portfolio company.

"Limited liability" means that the liability of each shareholder is limited to the amount unpaid by the shareholder on the shares of the company (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

Exclusive forum. Pursuant to article 188 of our eleventh amended and restated memorandum and articles of association, for the avoidance of doubt and without limiting the jurisdiction of the courts of the Cayman Islands and the courts of Hong Kong to hear, settle and/or determine disputes related to us and without prejudice to article 189 of our eleventh amended and restated memorandum and articles of association, we, our shareholders, directors and officers agree to submit to the jurisdiction of the courts of the Cayman Islands and Hong Kong, to the exclusion of other jurisdictions, for (i) any derivative action or proceeding brought on behalf of us, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, or other employee of us to the Company or the Members, (iii) any action asserting a claim arising pursuant to any provision of the Companies Act or these Articles including but not limited to any purchase or acquisition of Shares, security, or guarantee provided in consideration thereof, or (iv) any action asserting a claim against us which if brought in the United States of America would be a claim arising under the internal affairs doctrine (as such concept is recognized under the laws of the United States from time to time). Notwithstanding Article 188 of our eleventh amended and restated memorandum and articles of association, the United States District Court for the Southern District of New York (or, if the United States District Court for the Southern District of New York lacks subject matter jurisdiction over a particular dispute, the state courts in New York County, New York) shall be the exclusive forum within the United States for the resolution of any complaint asserting a cause of action arising under the Securities Act and the Exchange Act. Any person or entity purchasing or otherwise acquiring any of our shares, ADSs or other securities shall be deemed to have notice of and consented to the provisions of our eleventh amended and restated memorandum and articles of association. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Our ADSs and Class A Ordinary Shares—Forum selection provisions in our currently effective memorandum and articles of association and our deposit agreement with the depositary bank could limit the ability of holders of our Class A ordinary shares, ADSs, or other securities to obtain a favorable judicial forum for disputes with us, our directors and officers, the depositary bank, and potentially others."

C. Material Contracts

Other than in the ordinary course of business and other than those described under this item, in "Item 4. Information on the Company," "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions," or elsewhere in this annual report, we have not entered into any material contract during the two years immediately preceding the date of this annual report.

D. Exchange Controls

The Cayman Islands currently has no exchange control restrictions. See also "Item 4. Information on the Company—B. Business Overview—Regulation—Regulations relating to Foreign Exchange."

E. Taxation

The following summary of material Cayman Islands, PRC, Hong Kong and U.S. federal income tax consequences of an investment in our ADSs or ordinary shares is based upon laws and interpretations thereof in effect as of the date of this annual report, all of which are subject to change. This summary does not deal with all possible tax consequences relating to an investment in our ADSs or ordinary shares, such as the tax consequences under state, local and other tax laws.

Cayman Islands Taxation

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains, or appreciation, and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to holders of our ADSs or ordinary shares levied by the government of the Cayman Islands except for stamp duties, which may be applicable on instruments executed in, or brought within the jurisdiction of, the Cayman Islands. Payments of dividends and capital in respect of our ordinary shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of our ordinary shares, nor will gains derived from the disposal of our ordinary shares be subject to Cayman Islands income or corporation tax. The Cayman Islands is not party to any double tax treaties that are applicable to any payments made to or by our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

PRC Taxation

Under the PRC Enterprise Income Tax Law, an enterprise established outside China whose "de facto management body" is located in China is considered a "PRC resident enterprise" and will generally be subject to the uniform 25% enterprise income tax rate, or the EIT rate, on its global income. Under the implementation rules of the PRC Enterprise Income Tax, "de facto management body" is defined as the organization body that effectively exercises full management and control over such aspects as the business operations, personnel, accounting and properties of the enterprise.

According to STA Circular 82 promulgated in April 2009, a Chinese-controlled offshore incorporated enterprise is regarded as a PRC tax resident by virtue of having a "de facto management body" in China and subject to the EIT rate on its worldwide income only if all of the following criteria are met: (i) the primary location of the day-to-day operational management is in China; (ii) decisions relating to the enterprise's financial and human resource matters are made or are subject to approval by organizations or personnel in China; (iii) the enterprise's primary assets, accounting books and records, company seals, and board and shareholders meeting minutes are located or maintained in China; and (iv) 50% or more of voting board members or senior executives habitually reside in China.

We believe that Zhihu Inc. is not a PRC resident enterprise for PRC tax purposes. Zhihu Inc. is not controlled by a PRC enterprise or PRC enterprise group and we do not believe that Zhihu Inc. meets all of the conditions above. Zhihu Inc. is a company incorporated outside China. As a holding company, its key assets are its ownership interests in its subsidiaries, and its key assets are located, and its records (including the resolutions of its board of directors and the resolutions of its shareholders) are maintained, outside China. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body." There can be no assurance that the PRC government will ultimately take a view that is consistent with ours.

If the PRC tax authorities determine that Zhihu Inc. is a PRC resident enterprise for enterprise income tax purposes, we may be required to withhold a 10% withholding tax from dividends we pay to our shareholders that are non-resident enterprises, including the holders of our ADSs. In addition, non-PRC resident enterprise shareholders (including our ADS holders) may be subject to a 10% PRC tax on gains realized on the sale or other disposition of ADSs or ordinary shares, if such income is treated as sourced from within China. It is unclear whether our non-PRC resident individual shareholders (including our ADS holders) would be subject to any PRC tax on dividends or gains obtained by such non-PRC resident individual shareholders in the event we are determined to be a PRC resident enterprise. If any PRC tax were to apply to such dividends or gains, it would generally apply at a rate of 20% unless a reduced rate is available under an applicable tax treaty. However, it is also unclear whether non-PRC shareholders of Zhihu Inc. would be able to claim the benefits of any tax treaties between their country of tax residence and China in the event that Zhihu Inc. is treated as a PRC resident enterprise. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—We may be classified as a "PRC resident enterprise" for PRC enterprise income tax purposes, which could result in unfavorable tax consequences to us and our shareholders and materially and adversely affect our results of operations and the value of your investment."

United States Federal Income Tax Considerations

The following discussion is a summary of U.S. federal income tax considerations generally applicable to the ownership and disposition of our ADSs or Class A ordinary shares by a U.S. Holder (as defined below) that acquires our ADSs and holds our ADSs as "capital assets" (generally, property held for investment) under the U.S. Internal Revenue Code of 1986, as amended (the "Code"). This discussion is based upon existing U.S. federal tax law, which is subject to differing interpretations or change, possibly with retroactive effect. There can be no assurance that the IRS or a court will not take a contrary position. This discussion, moreover, does not address the U.S. federal estate, gift, any minimum tax, or other non-income tax considerations, the Medicare tax on certain net investment income or any state, local, or non-U.S. tax considerations, relating to the ownership or disposition of our ADSs or Class A ordinary shares. The following summary does not address all aspects of U.S. federal income taxation that may be important to particular investors in light of their individual circumstances or to persons in special tax situations such as:

- banks and other financial institutions;
- insurance companies;
- pension plans;
- cooperatives;
- regulated investment companies;
- real estate investment trusts;
- broker-dealers;
- traders that elect to use a mark-to-market method of accounting;

- certain former U.S. citizens or long-term residents;
- tax-exempt entities (including private foundations);
- holders who acquire their ADSs or Class A ordinary shares pursuant to any employee share option or otherwise as compensation;
- investors that will hold their ADSs or Class A ordinary shares as part of a straddle, hedge, conversion, constructive sale, or other integrated transaction for U.S. federal income tax purposes;
- persons liable for any minimum tax;
- investors that have a functional currency other than the U.S. dollar;
- persons that actually or constructively own 10% or more of our stock (by vote or value); or
- partnerships or other entities or arrangements taxable as partnerships for U.S. federal income tax purposes, or persons holding ADSs or Class A ordinary shares through such entities or arrangements;

all of whom may be subject to tax rules that differ significantly from those discussed below.

Each U.S. Holder is urged to consult its tax advisor regarding the application of U.S. federal taxation to its particular circumstances, and the state, local, non-U.S. and other tax considerations of the ownership and disposition of our ADSs or Class A ordinary shares.

General

For purposes of this discussion, a "U.S. Holder" is a beneficial owner of our ADSs or Class A ordinary shares that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created in, or organized under the law of the United States or any state thereof or the District of Columbia;
- an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust (A) the administration of which is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (B) that has otherwise validly elected to be treated as a U.S. person under the Code.

If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of our ADSs or Class A ordinary shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Partnerships holding our ADSs or Class A ordinary shares and their partners are urged to consult their tax advisors regarding an investment in our ADSs or Class A ordinary shares.

For U.S. federal income tax purposes, it is generally expected that a U.S. Holder of ADSs will be treated as the beneficial owner of the underlying shares represented by the ADSs. The remainder of this discussion assumes that a U.S. Holder of our ADSs will be treated in this manner. Accordingly, deposits or withdrawals of Class A ordinary shares for ADSs will generally not be subject to U.S. federal income tax.

Passive Foreign Investment Company Considerations

A non-U.S. corporation, such as our company, will be classified as a PFIC for United States federal income tax purposes for any taxable year, if either (i) 75% or more of its gross income for such year consists of certain types of "passive" income (the "income test") or (ii) 50% or more of the value of its assets (generally determined on the basis of a quarterly average) during such year is attributable to assets that produce or are held for the production of passive income (the "asset test"). For this purpose, cash and assets readily convertible into cash are categorized as passive assets and the company's goodwill and other unbooked intangibles are taken into account. Passive income generally includes, among other things, dividends, interest, rents, royalties, and gains from the disposition of passive assets. We will be treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation in which we own, directly or indirectly, at least 25% (by value) of the stock.

Although the law in this regard is not entirely clear, we treat the VIEs and their subsidiaries as being owned by us for U.S. federal income tax purposes because we control their management decisions and are entitled to substantially all of the economic benefits associated with them. As a result, we consolidated their results of operations in our consolidated U.S. GAAP financial statements.

Based upon the nature and composition of our income and assets, and the market price of our ADSs, we believe that we were a PFIC for United States federal income tax purposes for the taxable year ended December 31, 2025, and we will likely be a PFIC for our current taxable year unless the market price of our ADSs increases and/or we invest a substantial amount of the cash and other passive assets we hold in assets that produce or are held for the production of active income.

If we are classified as a PFIC for any taxable year during which a U.S. Holder holds our ADSs or Class A ordinary shares, the PFIC rules discussed below under "—Passive Foreign Investment Company Rules" generally will apply to such U.S. Holder for such taxable year, and unless the U.S. Holder makes certain elections, will apply in future years even if we cease to be a PFIC.

The discussion below under "—Dividends" and "—Sale or Other Disposition" is written on the basis that we will not be or become classified as a PFIC for U.S. federal income tax purposes. The U.S. federal income tax rules that apply generally if we are treated as a PFIC for any taxable year are discussed below under "—Passive Foreign Investment Company Rules."

Dividends

Any cash distributions (including the amount of any PRC tax withheld) paid on our ADSs or Class A ordinary shares out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles, will generally be includible in the gross income of a U.S. Holder as dividend income on the day actually or constructively received by the U.S. Holder, in the case of Class A ordinary shares, or by the depositary, in the case of ADSs. Because we do not intend to determine our earnings and profits on the basis of U.S. federal income tax principles, any distribution we pay will generally be treated as a "dividend" for U.S. federal income tax purposes. Dividends received on our ADSs or Class A ordinary shares will not be eligible for the dividends received deduction generally allowed to corporations. A non-corporate U.S. Holder will be subject to tax at the lower capital gain tax rate applicable to "qualified dividend income," provided that certain conditions are satisfied, including that (1) our ADSs or ordinary shares on which the dividends are paid are readily tradeable on an established securities market in the United States, or, in the event that we are deemed to be a PRC resident enterprise under the PRC tax law, we are eligible for the benefits of the United States-PRC income tax treaty (the "Treaty"), (2) we are neither a PFIC nor treated as such with respect to such a U.S. Holder for the taxable year in which the dividend was paid and the preceding taxable year, and (3) certain holding period requirements are met. Our ADSs (but not our Class A ordinary shares) are currently listed on the New York Stock Exchange, which is an established securities market in the United States. We received a letter on December 28, 2023 from the NYSE notifying use that we were below compliance standards of the NYSE and, if we fail to regain compliance on a timely basis, our ADSs could be delisted from the NYSE. Even though we regained compliance with the continued listing standards of the NYSE, there can be no assurance that we will maintain our compliance with the listing standards of the NYSE in the future. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Our ADSs and Class A Ordinary Shares—The trading prices of our Class A ordinary shares and the ADSs have been and may be volatile, which could result in substantial losses to investors."

In the event that we are deemed to be a PRC resident enterprise under the PRC Enterprise Income Tax Law (see "—PRC Taxation"), we may be eligible for the benefits of the Treaty. If we are eligible for such benefits, dividends we pay on our Class A ordinary shares, regardless of whether such shares are represented by the ADSs, would be eligible for the reduced rates of taxation described in the preceding paragraph.

Dividends paid on our ADSs or Class A ordinary shares, if any, will generally be treated as income from foreign sources and will generally constitute passive category income for U.S. foreign tax credit purposes. Depending on the U.S. Holder's individual facts and circumstances, a U.S. Holder may be eligible, subject to a number of complex limitations, to claim a foreign tax credit in respect of any nonrefundable foreign withholding taxes imposed on dividends received on our ADSs or Class A ordinary shares. A U.S. Holder who does not elect to claim a foreign tax credit for foreign taxes withheld may instead claim a deduction, for U.S. federal income tax purposes, in respect of such withholding, but only for a year in which such holder elects to do so for all creditable foreign income taxes. The rules governing the foreign tax credit are complex and their outcome depends in large part on the U.S. Holder's individual facts and circumstances. Accordingly, U.S. Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

As mentioned above, we believe that we were a PFIC for the taxable year ended December 31, 2025, and we will likely be classified as a PFIC for our current taxable year. U.S. Holders are urged to consult their tax advisors regarding the availability of the reduced tax rate on dividends with respect to the ADSs or Class A ordinary shares in their particular circumstances.

Sale or Other Disposition

A U.S. Holder will generally recognize capital gain or loss upon the sale or other disposition of ADSs or Class A ordinary shares in an amount equal to the difference between the amount realized upon the disposition and the holder's adjusted tax basis in such ADSs or Class A ordinary shares. Any capital gain or loss will be long-term if the ADSs or Class A ordinary shares have been held for more than one year and will generally be U.S.-source gain or loss for U.S. foreign tax credit purposes. Long-term capital gain of non-corporate U.S. Holders will generally be eligible for a reduced rate of taxation. In the event that gain from the disposition of the ADSs or Class A ordinary shares is subject to tax in China, a U.S. Holder may elect to treat such gain as PRC-source gain under the Treaty. Pursuant to the Treasury Regulations (the applicability of which has been postponed until further guidance is issued), however, if a U.S. Holder is not eligible for the benefits of the Treaty or does not elect to apply the Treaty, then such holder may not be able to claim a foreign tax credit arising from any PRC tax imposed on the disposition of the ADSs or common shares. The deductibility of a capital loss may be subject to limitations. U.S. Holders are urged to consult their tax advisors regarding the tax consequences if a foreign tax is imposed on a disposition of our ADSs or Class A ordinary shares, including the availability of the foreign tax credit or deduction under their particular circumstances, their eligibility for benefits under the Treaty, and the potential impact of the Treasury Regulations.

As mentioned above, we believe that we were a PFIC for the taxable year ended December 31, 2025, and we will likely be classified as a PFIC for our current taxable year. U.S. Holders are urged to consult their tax advisors regarding the tax considerations of the sale or other disposition of the ADSs or Class A ordinary shares in their particular circumstances.

Passive Foreign Investment Company Rules

As mentioned above, we believe that we were a PFIC for the taxable year ended December 31, 2025, and we will likely be classified as a PFIC for our current taxable year. If we are classified as a PFIC for any taxable year during which a U.S. Holder holds our ADSs or Class A ordinary shares, and unless the U.S. Holder makes a mark-to-market election (as described below), the U.S. Holder will generally be subject to special tax rules on (i) any excess distribution that we make to the U.S. Holder (which generally means any distribution paid during a taxable year to a U.S. Holder that is greater than 125 percent of the average annual distributions paid in the three preceding taxable years or, if shorter, the U.S. Holder's holding period for the ADSs or Class A ordinary shares), and (ii) any gain realized on the sale or other disposition of ADSs or Class A ordinary shares. Under the PFIC rules:

- the excess distribution or gain will be allocated ratably over the U.S. Holder's holding period for the ADSs or Class A ordinary shares;
- the amount allocated to the current taxable year and any taxable years in the U.S. Holder's holding period prior to the first taxable year in which we are classified as a PFIC (each, a "pre-PFIC year"), will be taxable as ordinary income;
- the amount allocated to each prior taxable year, other than a pre-PFIC year, will be subject to tax at the highest tax rate in effect for individuals or corporations, as appropriate, for that year; and
- an additional tax equal to the interest charge generally applicable to underpayments of tax will be imposed on the tax attributable to each prior taxable year, other than a pre-PFIC year.

If we are a PFIC for any taxable year during which a U.S. Holder holds our ADSs or Class A ordinary shares and any of our subsidiaries, the VIEs or any of their subsidiaries is also a PFIC, such U.S. Holder would be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules. U.S. Holders are urged to consult their tax advisors regarding the application of the PFIC rules to any of our subsidiaries, the VIEs, or their subsidiaries.

As an alternative to the foregoing rules, a U.S. Holder of "marketable stock" in a PFIC may make a mark-to-market election with respect to such stock, provided that such stock is regularly traded on a qualified exchange or other market, as defined in applicable United States Treasury Regulations. For those purposes, our ADSs, but not our Class A ordinary shares, are currently listed on the New York Stock Exchange, which is a qualified exchange. As mentioned above, we received a letter from the NYSE notifying us that we were below compliance standards of the NYSE and, if we fail to regain compliance on a timely basis, our ADSs could be delisted from the NYSE. Even though we regained compliance with the continued listing standards of the NYSE, there can be no assurance that we will maintain our compliance with the listing standards of the NYSE in the future. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Our ADSs and Class A Ordinary Shares—The trading prices of our Class A ordinary shares and the ADSs have been and may be volatile, which could result in substantial losses to investors."

If a U.S. Holder makes this election, the holder will generally (i) include as ordinary income for each taxable year that we are a PFIC the excess, if any, of the fair market value of ADSs held at the end of the taxable year over the adjusted tax basis of such ADSs and (ii) deduct as an ordinary loss the excess, if any, of the adjusted tax basis of the ADSs over the fair market value of such ADSs held at the end of the taxable year, but such deduction will only be allowed to the extent of the amount previously included in income as a result of the mark-to-market election. The U.S. Holder's adjusted tax basis in the ADSs would be adjusted to reflect any income or loss resulting from the mark-to-market election. If a U.S. Holder makes a mark-to-market election in respect of a corporation classified as a PFIC and such corporation ceases to be classified as a PFIC, the holder will not be required to take into account the gain or loss described above during any period that such corporation is not classified as a PFIC. If a U.S. Holder makes a mark-to-market election, any gain such U.S. Holder recognizes upon the sale or other disposition of our ADSs in a year when we are a PFIC will be treated as ordinary income and any loss will be treated as ordinary loss, but such loss will only be treated as ordinary loss to the extent of the net amount previously included in income as a result of the mark-to-market election.

Because a mark-to-market election cannot be made for any lower-tier PFICs that we may own, a U.S. Holder may continue to be subject to the PFIC rules with respect to such U.S. Holder's indirect interest in any investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes.

We do not intend to provide information necessary for U.S. Holders to make qualified electing fund elections which, if available, would result in tax treatment different from (and generally less adverse than) the general tax treatment for PFICs described above.

If a U.S. Holder owns our ADSs or Class A ordinary shares during any taxable year that we are a PFIC, the holder must generally file an annual IRS Form 8621. You should consult your tax advisors regarding the U.S. federal income tax consequences of owning and disposing of our ADSs or Class A ordinary shares if we are or become a PFIC.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We are subject to periodic reporting and other informational requirements of the Exchange Act as applicable to foreign private issuers, and are required to file reports and other information with the SEC. Specifically, we are required to file annually an annual report on Form 20-F within four months after the end of each fiscal year, which is December 31. All information we have filed with the SEC can be obtained over the internet at the SEC's website at *www.sec.gov*. As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of quarterly reports and proxy statements, our officers and directors are exempt from the short-swing rules contained in Section 16 of the Exchange Act, and our principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

We will furnish JPMorgan Chase Bank, N.A., the depositary of our ADSs, with our annual reports, which will include a review of operations and annual audited consolidated financial statements prepared in conformity with U.S. GAAP, and all notices of shareholders' meetings and other reports and communications that are made generally available to our shareholders. The depositary will make such notices, reports and communications available to holders of ADSs and, upon our request, will mail to all record holders of ADSs the information contained in any notice of a shareholders' meeting received by the depositary from us.

In accordance with NYSE Rule 203.01, we will post this annual report on Form 20-F on our website at *http://ir.zhihu.com*. In addition, we will provide hardcopies of our annual report free of charge to shareholders and ADS holders upon request.

I. Subsidiary Information

Not applicable.

J. Annual Report to Security Holders

We intend to submit the annual report to be provided to security holders in electronic format pursuant to the Hong Kong Listing Rules as an exhibit to a current report on Form 6-K.

Item 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

Our exposure to interest rate risk primarily relates to the interest income generated by excess cash, which is mostly held in interest-bearing bank deposits and wealth management products. Interest-earning instruments carry a degree of interest rate risk. We have not been exposed to material risks due to changes in market interest rates, and we have not used any derivative financial instruments to manage our interest risk exposure.

We may invest the net proceeds that we receive from our overseas offerings in interest-earning instruments. Investments in both fixed-rate and floating rate interest-earning instruments carry a degree of interest rate risk. Fixed-rate securities may have their fair market value adversely impacted due to a rise in interest rates, while floating-rate securities may produce less income than expected if interest rates fall.

Foreign Exchange Risk

Our expenditures are mainly denominated in Renminbi and, therefore, we are exposed to risks related to movements between Renminbi and U.S. dollars. We enter into hedging transactions in an effort to reduce our exposure to foreign currency exchange risk when we deem appropriate. In addition, the value of your investment in our ADSs will be affected by the exchange rate between U.S. dollars and Renminbi because the value of our business is effectively denominated in Renminbi, while our ADSs are be traded in U.S. dollars.

The conversion of Renminbi into other currencies, including U.S. dollars, is based on rates set by the People's Bank of China. The Renminbi has fluctuated against other currencies, at times significantly and unpredictably. The value of Renminbi against other currencies is affected by changes in China's political and economic conditions and by China's foreign exchange policies, among other things. It is difficult to predict how market forces or government policies may impact the exchange rate between Renminbi and other currencies in the future.

To the extent that we need to convert U.S. dollars or other currencies into Renminbi for our operations, appreciation of Renminbi against U.S. dollars would have an adverse effect on the Renminbi amount we receive from the conversion. Conversely, if we decide to convert Renminbi into U.S. dollars or other currency for the purpose of making payments to suppliers or for dividends on our ordinary shares or ADSs or for other business purposes, appreciation of U.S. dollars against Renminbi would have a negative effect on the U.S. dollar amounts available to us.

As of December 31, 2025, we had RMB-denominated cash and cash equivalents, current and non-current term deposits, restricted cash and short-term investments of RMB2,363.8 million, and U.S. dollar-denominated cash and cash equivalents and short-term investments of US$297.0 million. Assuming we had converted RMB2,363.8 million into U.S. dollars at the exchange rate of RMB6.9931 for US$1.00 as of December 31, 2025, our U.S. dollar cash balance would have been US$635.0 million. If the RMB had depreciated by 10% against the U.S. dollar, our U.S. dollar cash balance would have been US$604.2 million instead.

Item 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

Fees and Charges Our ADS Holders May Have to Pay

The depositary may charge each person to whom ADSs are issued, including, without limitation, issuances against deposits of shares, issuances in respect of share distributions, rights and other distributions, issuances pursuant to a stock dividend or stock split declared by us or issuances pursuant to a merger, exchange of securities, or any other transaction or event affecting the ADSs or deposited securities, and each person surrendering ADSs for withdrawal of deposited securities or whose ADRs are cancelled or reduced for any other reason, $5.00 for each 100 ADSs (or any portion thereof) issued, delivered, reduced, cancelled or surrendered, or upon which a share distribution or elective distribution is made or offered, as the case may be. The depositary may sell (by public or private sale) sufficient securities and property received in respect of a share distribution, rights, and/or other distribution prior to such deposit to pay such charge.

The following additional charges shall also be incurred by the ADR holders, the beneficial owners, by any party depositing or withdrawing shares or by any party surrendering ADSs and/or to whom ADSs are issued (including, without limitation, issuance pursuant to a stock dividend or stock split declared by us or an exchange of stock regarding the ADSs or the deposited securities or a distribution of ADSs), whichever is applicable:

- a fee of US$1.50 per ADR or ADRs for transfers of certificated or direct registration ADRs;
- a fee of US$0.05 or less per ADS held for any cash distribution made, or for any elective cash/stock dividend offered, pursuant to the deposit agreement;
- an aggregate fee of US$0.05 or less per ADS per calendar year (or portion thereof) for services performed by the depositary in administering the ADRs (which fee may be charged on a periodic basis during each calendar year and shall be assessed against holders of ADRs as of the record date or record dates set by the depositary during each calendar year and shall be payable in the manner described in the next succeeding provision);
- a fee for the reimbursement of such fees, charges, and expenses as are incurred by the depositary and/or any of its agents (including, without limitation, the custodian and expenses incurred on behalf of ADR holders in connection with compliance with foreign exchange control regulations or any law or regulation relating to foreign investment) in connection with the servicing of the shares or other deposited securities, the sale of securities (including, without limitation, deposited securities), the delivery of deposited securities or otherwise in connection with the depositary's or its custodian's compliance with applicable law, rule or regulation (which fees and charges shall be assessed on a proportionate basis against ADR holders as of the record date or dates set by the depositary and shall be payable at the sole discretion of the depositary by billing such ADR holders or by deducting such charge from one or more cash dividends or other cash distributions);
- a fee for the distribution of securities (or the sale of securities in connection with a distribution), such fee being in an amount equal to the $0.05 per ADS issuance fee for the execution and delivery of ADSs which would have been charged as a result of the deposit of such securities (treating all such securities as if they were shares) but which securities or the net cash proceeds from the sale thereof are instead distributed by the depositary to those ADR holders entitled thereto;
- stock transfer or other taxes and other governmental charges.

Fees and Other Payments Made by the Depositary to Us

Our depositary reimburses us for certain expenses we incur that are related to establishment and maintenance of the ADR program. For the year ended December 31, 2025, we received US$3.4 million of cash reimbursement, net of tax, from the depositary.

Conversion between Class A Ordinary Shares and ADSs

Dealings and Settlement of Class A Ordinary Shares in Hong Kong

Dealings in our Class A Ordinary Shares on the Hong Kong Stock Exchange are conducted in Hong Kong dollars. Our Class A Ordinary Shares are be traded on the Hong Kong Stock Exchange in board lots of 100 Class A Ordinary Shares.

The transaction costs of dealings in our Class A Ordinary Shares on the Hong Kong Stock Exchange include:

- Hong Kong Stock Exchange trading fee of 0.00565% of the consideration of the transaction, charged to each of the buyer and seller;
- SFC transaction levy of 0.0027% of the consideration of the transaction, charged to each of the buyer and seller;
- AFRC (the Accounting and Financial Reporting Council of Hong Kong) transaction levy of 0.00015% of the consideration of the transaction, charged to each of the buyer and seller;
- trading tariff of HK$0.50 on each and every purchase or sale transaction. The decision on whether or not to pass the trading tariff onto investors is at the discretion of brokers;
- transfer deed stamp duty of HK$5.00 per transfer deed (if applicable), payable by the seller;
- ad valorem stamp duty at a total rate of 0.20% of the value of the transaction, with 0.10% payable by each of the buyer and the seller;
- stock settlement fee, which is currently 0.002% of the gross transaction value, subject to a minimum fee of HK$2.00 and a maximum fee of HK$100.00 per side per trade;
- brokerage commission, which is freely negotiable with the broker (other than brokerage commissions for IPO transactions which are currently set at 1% of the subscription or purchase price and will be payable by the person subscribing for or purchasing the securities); and
- Computershare Hong Kong Investor Services Limited, our Hong Kong Share Registrar, will charge between HK$2.50 to 0.05% of the market value of the shares, depending on the speed of service (or such higher fee as may from time to time be permitted under the Hong Kong Listing Rules), for each transfer of Class A Ordinary Shares from one registered owner to another, each share certificate canceled or issued by it and any applicable fee as stated in the share transfer forms used in Hong Kong.

Investors in Hong Kong must settle their trades executed on the Hong Kong Stock Exchange through their brokers directly or through custodians. For an investor in Hong Kong who has deposited his/her Class A Ordinary Shares in his/her stock account or in his/her designated CCASS Participant's stock account maintained with CCASS, settlement will be effected in CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. For an investor who holds the physical certificates, settlement certificates and the duly executed transfer forms must be delivered to his/her broker or custodian before the settlement date.

An investor may arrange with his/her broker or custodian on a settlement date in respect of his/her trades executed on the Hong Kong Stock Exchange. Under the Hong Kong Listing Rules and the General Rules of CCASS and CCASS Operational Procedures in effect from time to time, the date of settlement must be the second settlement day (a day on which the settlement services of CCASS are open for use by CCASS Participants) following the trade date (T+2). For trades settled under CCASS, the General Rules of CCASS and CCASS Operational Procedures in effect from time to time provided that the defaulting broker may be compelled to compulsorily buy-in by HKSCC the day after the date of settlement (T+3), or if it is not practicable to do so on T+3, at any time thereafter. HKSCC may also impose fines from T+2 onwards.

Depositary

The depositary for our ADSs is JPMorgan Chase Bank, N.A. (the "Depositary"), whose office is located at 270 Park Avenue, Floor 8, New York, NY 10017. The certificated ADSs are evidenced by certificates referred to as American Depositary Receipts ("ADRs") that are issued by the Depositary.

Each ADS represents ownership interests in three Class A Ordinary Shares, and any and all securities, cash or other property deposited with the Depositary in respect of such Class A Ordinary Shares but not distributed to ADS holders.

ADSs may be held either (a) directly, by having an ADR in physical certificated form registered in the holder's name (b) indirectly, through the holder's brokerage or safekeeping account or (c) by holding a "Direct Registration ADR" in book-entry from in the "Direct Registration System," the system established by the Depositary Trust Company ("DTC") for the uncertificated registration of ownership of securities utilized by the depositary to record the ownership of ADRs without the issuance of certificates, in which case the ownership is evidenced by periodic statements issued by the Depositary to the holders of ADRs entitled thereto. The following discussion regarding ADSs assumes the holder holds its ADSs directly. If a holder holds the ADSs indirectly through its brokerage or safekeeping account, it must rely on the procedures of its broker or other financial institution to assert the rights of ADS holders described in this section. If applicable, you should consult with your broker or financial institution to find out what those procedures are. Banks and brokers typically hold securities such as the ADSs through participants in the DTC clearing and settlement system. ADSs held through DTC will be registered in the name of a nominee of DTC.

We do not treat ADS holders as Shareholders, and ADS holders have no Shareholder rights. Cayman Islands law governs Shareholder rights. Because the Depositary actually holds the legal title to our Class A Ordinary Shares represented by ADSs (through the Depositary's Custodian (as defined below)), ADS holders must rely on it to exercise the rights of a Shareholder. The obligations of the Depositary are set out in the deposit agreement among us, the Depositary and our ADS holders and beneficial owners as amended from time to time (the "Deposit Agreement"). The Deposit Agreement, the ADSs and the ADRs evidencing ADSs are governed by the law of the State of New York without giving effect to the application of the conflict of law principles thereof.

Transfer of Shares to Hong Kong Share Register

For the purposes of trading on the Hong Kong Stock Exchange, the Class A Ordinary Shares must be registered in the Hong Kong Share Register. ADSs are quoted for trading on NYSE. An investor who holds Class A Ordinary Shares and wishes to trade ADSs on NYSE must deposit or have his broker deposit with The Hongkong and Shanghai Banking Corporation Limited, as custodian of the Depositary (the "Depositary's Custodian"), Class A Ordinary Shares, or evidence of rights to receive Class A Ordinary Shares, so as to receive the corresponding ADSs as described below.

Converting Class A Ordinary Shares Trading in Hong Kong to ADSs

An investor who holds Class A Ordinary Shares registered in Hong Kong and who intends to convert them to ADSs to trade on the New York Stock Exchange must deposit or have his or her broker deposit the Class A Ordinary Shares with the Depositary's Hong Kong Custodian, J.P. Morgan Chase Bank N.A. Hong Kong, in exchange for ADSs. A deposit of Class A Ordinary Shares trading in Hong Kong in exchange for ADSs involves the following procedures:

- If Class A Ordinary Shares have been deposited with CCASS, the investor must transfer Class A Ordinary Shares to the depositary's account with the custodian within CCASS by following the CCASS procedures for transfer and submit and deliver a duly completed and signed letter of transmittal to the custodian via his or her broker.

- If Class A Ordinary Shares are held outside CCASS, the investor must arrange to deposit his or her Class A Ordinary Shares into the CCASS for delivery to the depositary's account with the custodian within CCASS, and must submit and deliver a duly completed and signed letter of transmittal to the custodian via his or her broker.

- Upon payment of its fees and expenses, payment or net of the depositary's fees and expenses, and payment of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, if applicable, and subject in all cases to the terms of the deposit agreement, the depositary will register the corresponding number of ADSs in the name(s) requested by an investor and will deliver the ADSs to the designated DTC account of the person(s) designated by an investor or his or her broker if such ADSs are to be held in book-entry form through DTC's "Direct Registration System".

For Class A Ordinary Shares deposited in CCASS, under normal circumstances, the above steps generally require two business days, provided that the investor has provided timely and complete instructions. For Class A Ordinary Shares held outside CCASS in physical form, the above steps may take 14 business days, or more, to complete. Temporary delays may arise. For example, the transfer books of the depositary may from time to time be closed to ADS issuances. The investor will be unable to trade the ADSs until the procedures are completed.

Converting ADSs to Class A Ordinary Shares Trading in Hong Kong

Following the listing of our Class A Ordinary Shares on the Hong Kong Stock Exchange, Class A Ordinary Shares registered on the Hong Kong share register will be able to convert these Class A Ordinary Shares into ADSs, and vice versa, subject to certain exceptions as provided herein. In addition, thereafter all deposits of Class A Ordinary Shares for the issuance of ADSs and all withdrawals of Class A Ordinary Shares upon the cancellation of ADSs will be in the form of Class A Ordinary Shares registered on our Hong Kong share register and all corporate actions with respect thereto will be processed via the depositary's custodian account at CCASS, subject to the rules and procedures applicable to CCASS – eligible securities, and also subject, in each case, to certain exceptions described below and provided that the foregoing shall not apply to certain of our "restricted" Class A Ordinary Shares and Class A Ordinary Shares as determined by the Company and the depositary, which will be via our principal register in the Cayman Islands.

An Investor who holds ADSs and who Intends to convert his or her ADSs Class A Ordinary Shares that trade on the Hong Kong Stock Exchange must cancel the ADSs the investor holds and withdraw Class A Ordinary Shares from our ADS program and cause his or her broker or other financial institution to trade such Class A Ordinary Shares on the Hong Kong Stock Exchange.

An investor that holds ADSs indirectly through a broker or other financial institution should follow the procedure of the broker or financial institution and instruct the broker to arrange for cancelation of the ADSs, and transfer of the underlying Class A Ordinary Shares from the depositary's account with the custodian within the CCASS system to the investor's Hong Kong stock account. For investors holding ADSs directly, the following steps must be taken:

- To withdraw Class A Ordinary Shares from our ADS program, an investor who holds ADSs may turn in such ADSs at the office of the depositary (and the applicable ADR(s) if the ADSs are held in certificated form), and send an instruction to cancel such ADSs to the depositary.

- Upon payment or net of its fees, payment of CCASS' fees and expenses, and payment of expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, if applicable, and subject in all cases to the terms of the deposit agreement, the depositary will instruct the custodian to deliver Class A Ordinary Shares underlying the canceled ADSs to the CCASS account designated by an investor.

- If an investor prefers to receive Class A Ordinary Shares outside CCASS, he or she must receive Class A Ordinary Shares in CCASS first and then arrange for withdrawal from CCASS. Investors can then obtain a transfer form signed by HKSCC Nominees Limited (as the transferor) and register Class A Ordinary Shares in their own names with our Hong Kong Share Registrar.

For Class A Ordinary Shares to be received in CCASS, under normal circumstances, the above steps generally require two business days, provided that the investor has provided timely and complete instructions. For Class A Ordinary Shares to be received outside CCASS in physical form, the above steps may take 14 business days, or more, to complete. The investor will be unable to trade the Class A Ordinary Shares on the Hong Kong Stock Exchange until the procedures are completed.

Temporary delays may arise. For example, the transfer books of the depositary may from time to time be closed to ADS cancelations. In addition, completion of the above steps and procedures for delivery for Class A Ordinary Shares in a CCASS account is subject to there being a sufficient number of Class A Ordinary Shares on the Hong Kong share register to facilitate a withdrawal from the ADS program directly into the CCASS system. We are not under any obligation to maintain or increase the number of Class A Ordinary Shares on the Hong Kong share register to facilitate such withdrawals.

In the event there are not a sufficient number of Class A Ordinary Shares on the Hong Kong share register in the account of the depositary's custodian at CCASS to satisfy a cancellation of ADSs and withdrawal of Class A Ordinary Shares in whole or in part, such withdrawal shall be in the form of Class A Ordinary Shares on the Hong Kong share register to the extent available with the balance to be in the form of Class A Ordinary Shares on the Company's principal share register in the Cayman Islands. The depositary is not under any obligation, and has no ability, to maintain or increase the number of Class A Ordinary Shares held by its custodian on the Hong Kong share register to facilitate such withdrawals.

Depositary Requirements

Before the depositary delivers ADSs or permits withdrawal of Class A Ordinary Shares, the depositary may require:

- payment of all amounts required pursuant to the deposit agreement, including the issuance and cancellation fees therein, any stock transfer or other tax or other governmental charges and any stock transfer or registration fees in effect;
- production of satisfactory proof of the identity and genuineness of any signature or other information it deems necessary; and
- compliance with procedures it may establish, from time to time, consistent with the deposit agreement, including completion and presentation of transfer documents.

The depositary may refuse to deliver, transfer, or register issuances, transfers and cancelations of ADSs generally when the transfer books of the depositary or our Hong Kong share registrar or Cayman share registrar are closed or at any time if the depositary or we determine it advisable to do so, subject to such refusal complying with U.S. federal securities laws.

All costs attributable to the transfer of Class A Ordinary Shares to effect a withdrawal from or deposit of Class A Ordinary Shares into our ADS program will be borne by the investor requesting the transfer. In particular, holders of Class A Ordinary Shares and ADSs should note that our Hong Kong Share Registrar will charge between HK$2.50 to HK$20, depending on the speed of service (or such higher fee as may from time to time be permitted under the Hong Kong Listing Rules), for each transfer of Class A Ordinary Shares from one registered owner to another, each share certificate canceled or issued by it and any applicable fee as stated in the share transfer forms used in Hong Kong. In addition, holders of Class A Ordinary Shares and ADSs must pay up to US$5.00 per 100 ADSs (or portion thereof) for each issuance of ADSs and each cancelation of ADSs, as the case may be, in connection with the deposit of Class A Ordinary Shares into, or withdrawal of Class A Ordinary Shares from, our ADS program.

PART II

Item 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

Item 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Material Modifications to the Rights of Security Holders

See "Item 10. Additional Information" for a description of the rights of securities holders, which remain unchanged.

Use of Proceeds

The following "Use of Proceeds" information relates to the registration statement on Form F-1 (File Number: 333-253910) relating to our initial public offering of 55,000,000 ADSs representing 27,500,000 Class A ordinary shares, and the underwriters' partial exercise of their option to purchase from us 259,904 additional ADSs representing 129,952 Class A ordinary shares, at an initial offering price of US$9.50 per ADS. The registration statement was declared effective by the SEC on March 25, 2021. Credit Suisse Securities (USA) LLC, Goldman Sachs (Asia) L.L.C., and J.P. Morgan Securities LLC were the representatives of the underwriters.

We raised approximately US$739.4 million in net proceeds from our initial public offering, after deducting underwriting commissions and the offering expenses payable by us, including the net proceeds we received from the underwriters' partial exercise of their option to purchase additional ADSs from us. None of the transaction expenses included payments to directors or officers of our company or their associates, persons owning more than 10% or more of our equity securities, or our affiliates. None of the net proceeds from the initial public offering were paid, directly or indirectly, to any of our directors or officers or their associates, persons owning 10% or more of our equity securities, or our affiliates.

For the period from March 25, 2021 to December 31, 2025, we have used less than 10% of the net proceeds from our initial public offering for the development of product and service, market and user growth, research and development, and general corporate purposes. There is no material change in the use of proceeds as described in our registration statement on Form F-1. We still intend to use the remainder of the proceeds from our initial public offering for purposes as disclosed in our registration statement on Form F-1.

Item 15. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our chief executive officer and our chief financial officer, we carried out an evaluation of the effectiveness of our disclosure controls and procedures, which is defined in Rules 13a-15(e) of the Exchange Act, as of December 31, 2025. Based upon that evaluation, our management, with the participation of our chief executive officer and chief financial officer, has concluded that, as of December 31, 2025, our disclosure controls and procedures were effective in ensuring that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act was recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act was accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America and includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of our company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with GAAP, and that receipts and expenditures of our company are being made only in accordance with authorizations of our management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of the unauthorized acquisition, use or disposition of our company's assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As required by Section 404 of the Sarbanes-Oxley Act of 2002 and related rules as promulgated by the Securities and Exchange Commission, our management including our chief executive officer and chief financial officer assessed the effectiveness of internal control over financial reporting as of December 31, 2025 using the criteria set forth in the report "Internal Control—Integrated Framework (2013)" published by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on this evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2025.

Attestation Report of the Registered Public Accounting Firm

Our independent registered public accounting firm, PricewaterhouseCoopers Zhong Tian LLP, has audited the effectiveness of our internal control over financial reporting as of December 31, 2025, as stated in its report, which appears on page F-2 of this annual report on Form 20-F.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended) during the year ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 16. [RESERVED]

Item 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our board of directors has determined that Mr. Li-Lan Cheng, an independent director (under the standards set forth in Section 303A of the Corporate Governance Rules of the New York Stock Exchange and Rule 10A-3 under the Exchange Act) and member of our audit committee, is an audit committee financial expert.

Item 16B. CODE OF ETHICS

Our board of directors has adopted a code of ethics that applies to all of the directors, officers and employees of us and our subsidiaries, whether they work for us on a full-time, part-time, consultative, or temporary basis. In addition, we expect those who do business with us, such as consultants, suppliers and collaborators, to also adhere to the principles outlined in the code of ethics. Certain provisions of the code of ethics apply specifically to our chief executive officer, chief financial officer, senior finance officer, controller, vice presidents and any other persons who perform similar functions for us. We have filed our code of business conduct and ethics as an exhibit to our registration statement on Form F-1 (No. 333-253910) in connection with our initial public offering in March 2021, which was incorporated by reference thereto in this annual report.

Item 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth the aggregate fees by categories specified below in connection with certain professional services rendered by PricewaterhouseCoopers Zhong Tian LLP, our independent registered public accounting firm, for the periods indicated. We did not pay any other fees to our principal accountant during the periods except as indicated below.

	For the Year Ended December 31,		
	2024	2025	
	RMB	RMB	US$
		(in thousands)	
Audit fees[1]	11,500	10,500	1,501
All other fees[2]	740	215	31

Notes:

(1) "Audit fees" represent the aggregate fees billed or to be billed for each of the fiscal years listed for professional services rendered by our principal accountant for the audit of our annual consolidated financial statements and the review of quarterly financial information.

(2) "All other fees" represent the aggregate fees billed or to be billed for professional services rendered by our principal external auditors other than services reported under "Audit fees."

The policy of our audit committee is to pre-approve all audit and other service provided by PricewaterhouseCoopers Zhong Tian LLP and its affiliates, including audit services, audit-related services, tax services and other services as described above.

Item 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

Item 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

On June 10, 2022, our shareholders approved a share repurchase program, pursuant to which we were authorized to repurchase up to US$100 million of our shares over the next 12 months, or the 2022 Repurchase Program. In May 2023 and June 2024, our board of directors approved extensions of the 2022 Repurchase Program to remain effective until June 26, 2025. In addition, a concurrent share repurchase program was established in June 2024 and will remain effective until June 26, 2025, or the 2024 Repurchase Program. The maximum number of shares (including shares underlying the ADSs) that can be repurchased under the 2024 Repurchase Program, together with the remaining number of shares (including shares underlying the ADSs) that can be repurchased under the 2022 Repurchase Program, will not exceed 10% of the total number of our issued shares (excluding any treasury shares) as of June 26, 2024, the date of the resolution granting the general unconditional mandate to purchase the Company's own shares approved by shareholders. In May 2025, our board of directors approved a new share repurchase program effective until June 25, 2026, or the 2025 Repurchase Program. The maximum number of shares (including shares underlying the ADSs) that can be repurchased under the 2025 Repurchase Program is 10% of the total number of issued shares of the Company (excluding Class A ordinary shares issued to the depositary for bulk issuance of ADSs reserved for future issuances upon the exercise or vesting of awards granted under the share incentive plans of the Company and any treasury shares) as of June 25, 2025, the date of the resolution granting the general unconditional mandate to purchase the Company's own shares approved by shareholders.

In addition, we conducted an all cash tender offer and repurchased a total of 33,016,016 Class A ordinary shares tendered (including 19,877,118 Class A ordinary shares in the form of 6,625,706 ADSs), representing approximately 11.2% of the our total issued and outstanding ordinary shares before the repurchase. The total consideration for these Class A ordinary shares is approximately HK$300 million. These shares were repurchased and canceled on November 8, 2024.

The following table sets forth a summary of shares repurchase by us and our affiliated purchaser pursuant to our share repurchase programs and the tender offer repurchase under the 2022 Repurchase Program and 2024 Repurchase Program.

Period	Total Number of Class A Ordinary Shares Purchased	Average Price Paid Per Class A Ordinary Shares		Total Number of Class A Ordinary Shares Purchased as Part of the Publicly Announced Plan	Approximate Dollar Value of Class A Ordinary Shares That May Yet Be Purchased Under the Program*
January 1, 2025—January 31, 2025	780,882	US$	1.13	76,043,432	14,828,787
February 1, 2025—February 28, 2025	704,520	US$	1.53	76,747,952	13,752,055
March 1, 2025—March 31, 2025	2,096,036	US$	1.57	78,843,988	10,471,669
April 1, 2025—April 30, 2025	3,118,962	US$	1.26	81,962,950	6,539,644
May 1, 2025—May 31, 2025	129,216	US$	1.28	82,092,166	6,373,767
June 1, 2025—June 25, 2025	322,755	US$	1.26	82,414,921	5,966,863

Note:

* Represents the approximate dollar value of Class A ordinary shares that may yet be purchased under the US$100 million 2022 Repurchase Program.

The following table sets forth a summary of shares repurchase by us and our affiliated purchaser pursuant to our 2025 Repurchase Program. The total number of Class A ordinary shares that may be repurchased at the commencement of the 2025 Repurchase Program is 26,300,429, equivalent to 10% of the total number of issued shares of the Company (excluding unused bulk issuance shares and treasury shares) as of June 25, 2025.

Period	Total Number of Class A Ordinary Shares Purchased	Average Price Paid Per Class A Ordinary Shares		Total Number of Class A Ordinary Shares Purchased as Part of the Publicly Announced Plan	Approximate Shares of Class A Ordinary Shares That May Yet Be Purchased Under the Program*
June 26, 2025—June 30, 2025	264,732	US$	1.31	264,732	26,035,697
July 1, 2025—July 31, 2025	119,766	US$	1.38	384,498	25,915,931
August 1, 2025—August 31, 2025	441,570	US$	1.50	826,068	25,474,361
September 1, 2025—September 30, 2025	3,421,254	US$	1.71	4,247,322	22,053,107
October 1, 2025—October 31, 2025	1,209,000	US$	1.54	5,456,322	20,844,107
November 1, 2025—November 30, 2025	1,073,049	US$	1.35	6,529,371	19,771,058
December 1, 2025—December 31, 2025	2,962,287	US$	1.14	9,491,658	16,808,771
January 1, 2026—January 31, 2026	1,438,761	US$	1.21	10,930,419	15,370,010
February 1, 2026—February 28, 2026	1,349,730	US$	1.18	12,280,149	14,020,280
March 1, 2026—March 31, 2026	933,123	US$	0.90	13,213,272	13,087,157
Total	13,213,272	US$	1.35	13,213,272	13,087,157

Note:

* Represents the approximate shares of Class A ordinary shares that may yet be purchased under the maximum number of shares (including shares underlying the ADSs) that can be repurchased under the 2025 Repurchase Program.

Item 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

Item 16G. CORPORATE GOVERNANCE

As a Cayman Islands company listed on the New York Stock Exchange, we are subject to the New York Stock Exchange listing standards, which requires listed companies to have, among other things, a majority of their board members to be independent and independent director oversight of executive compensation and nomination of directors. However, New York Stock Exchange rules permit a foreign private issuer like us to follow the corporate governance practices of its home country. Certain corporate governance practices in the Cayman Islands, which is our home country, may differ significantly from the New York Stock Exchange listing standards. We have elected to follow our home country practice in lieu of the corporate governance requirements of the New York Stock Exchange that a listed company must have (i) a majority of independent directors and (ii) a compensation committee and a nomination committee composed entirely of independent directors, and with respect to the adoption of our 2022 share incentive plan without the approval of our shareholders. As a result, our shareholders may be afforded less protection than they otherwise would enjoy under New York Stock Exchange corporate governance listing standards applicable to U.S. domestic issuers. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Our ADSs and Class A Ordinary Shares—As a company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the New York Stock Exchange listing standards."

Other than the requirements discussed above, there are no significant differences between our corporate governance practices and those followed by domestic listed companies as required under the NYSE Listed Company Manual.

Item 16H. MINE SAFETY DISCLOSURE

Not applicable.

Item 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.

Not applicable.

Item 16J. INSIDER TRADING POLICIES

Our board of directors has established insider trading policies and procedures governing the purchase, sale, and other dispositions of our securities by our directors, officers, employees and other relevant persons to promote compliance with applicable insider trading laws, rules and regulations, and listing standards.

Our Amended and Restated Statement of Policies Governing Material Non-Public Information and The Prevention of Insider Trading is filed as Exhibit 11.2 to this annual report on Form 20-F.

Item 16K. CYBERSECURITY

Risk Management and Strategy

We have implemented robust processes for assessing, identifying and managing material risks from cybersecurity threats and monitoring the prevention, detection, mitigation and remediation of material cybersecurity incident. We have also integrated cybersecurity risk management into our overall enterprise risk management system.

We have established a systematic information security management framework and set up the Zhihu Cybersecurity and Data Security Committee to provide a framework for information security, with a dynamic and multi-layered cybersecurity defense system to effectively mitigate both internal and external cyber threats. Our information security protection mechanism incorporates pre-event prevention, in-process monitoring and post-event response to ensure that our information security is preventable, manageable and controllable. In the pre-event prevention phase, we incorporate information security protection measures into the development of products and services and continuously strengthens the preventive and protective measures for information security through the "security review" methods such as login authentication schemes, permission granting schemes, two-factor authentication, personal information collection scenarios, whether to encrypt the transmission and storage of personal information, whether to mask sensitive data for display, and whether to add watermarks. In the in-process monitoring phase, we established threat intelligence, traffic analysis and security operation centers to monitor and analyze information security threats in real time and promptly warn of security risks. In the post-event response phase, we put in place security orchestration, automation and response handling capabilities as well as manual handling processes to reduce the probability of security incidents by automatically or manually handling identified risks. Our approach to managing cybersecurity risks and safeguarding sensitive data is multi-faceted, involving technological safeguards, procedural protocols, a rigorous program of surveillance on our corporate network, regular internal and external evaluations of our security measures, a solid incident response framework, and cybersecurity training sessions for our employees. Our cybersecurity department is actively engaged in continuous monitoring of our websites and apps to ensure prompt identification and response to potential issues, including emerging cybersecurity threats.

As of the date of this annual report, we have not experienced any material cybersecurity incidents or identified any material cybersecurity threats that have affected or are reasonably likely to materially affect us, our business strategy, results of operations or financial condition.

Governance

Our corporate governance committee is responsible for overseeing our cybersecurity risk management. Our corporate governance committee shall (i) maintain oversight of the disclosure related to cybersecurity matters in current reports or periodic reports of our company, (ii) review updates to the status of any material cybersecurity incidents or material risks from cybersecurity threats to our company, and the relevant disclosure issues, if any, presented by our chief executive officer, chief financial officer and cybersecurity officer on a quarterly basis, and (iii) review disclosure concerning cybersecurity matters in our annual report on Form 20-F presented by our chief executive officer, chief financial officer and cybersecurity officer.

At management level, our chief executive officer, chief financial officer and cybersecurity officer are responsible for assessing, identifying and managing material risks from cybersecurity threats to our company and monitoring the prevention, detection, mitigation and remediation of material cybersecurity incident. These officers report to our corporate governance committee on (i) a quarterly basis on updates to the status of any material cybersecurity incidents or material risks from cybersecurity threats to our company, and the relevant disclosure issues, if any, and (ii) on disclosure concerning cybersecurity matters in our annual report on Form 20-F.

PART III

Item 17. FINANCIAL STATEMENTS

We have elected to provide financial statements pursuant to Item 18.

Item 18. FINANCIAL STATEMENTS

The consolidated financial statements of Zhihu Inc. are included at the end of this annual report.

Item 19. EXHIBITS

Exhibit Number	Document
1.1	Eleventh Amended and Restated Memorandum and Articles of Association of the Registrant (incorporated herein by reference to Exhibit 3.1 to the current report on Form 6-K (File No. 001-40253) furnished with the Securities and Exchange Commission on June 13, 2022)
2.1	Registrant's Specimen American Depositary Receipt (incorporated herein by reference to Exhibit 4.1 to the registration statement on Form F-1 (File No. 333-253910), as amended, initially filed with the Securities and Exchange Commission on March 5, 2021)
2.2	Registrant's Specimen Certificate for Class A Ordinary Shares (incorporated herein by reference to Exhibit 4.2 to the registration statement on Form F-1 (File No. 333-253910), as amended, initially filed with the Securities and Exchange Commission on March 5, 2021)
2.3	Deposit Agreement, among the Registrant, JPMorgan Chase Bank, N.A., as depositary, and holders and beneficial owners of the American Depositary Receipts issued thereunder dated March 25, 2021 (incorporated herein by reference to Exhibit 4.3 to the registration statement on Form S-8 (File No. 333-256178) filed with the Securities and Exchange Commission on May 17, 2021)
2.4	Description of Securities (incorporated herein by reference to Exhibit 2.5 to the annual report on Form 20 - F filed by the Registrant with the Securities and Exchange Commission on April 26, 2024)
4.1	Form of Employment Agreement between the Registrant and its executive officers (incorporated herein by reference to Exhibit 10.2 to the registration statement on Form F-1 (File No. 333-253910), as amended, initially filed with the Securities and Exchange Commission on March 5, 2021)
4.2	Form of Indemnification Agreement between the Registrant and its directors and executive officers (incorporated herein by reference to Exhibit 10.3 to the registration statement on Form F-1 (File No. 333-253910), as amended, initially filed with the Securities and Exchange Commission on March 5, 2021)
4.3	English translation of the Exclusive Business Cooperation Agreement between Zhizhe Sihai and Zhizhe Tianxia dated December 21, 2021 (incorporated herein by reference to Exhibit 4.4 to the annual report on Form 20-F (File No. 001-40253) filed with the Securities and Exchange Commission on April 8, 2022)
4.4	English translation of executed form of Shareholders' Rights Entrustment Agreement between Zhizhe Tianxia, its shareholders, and Zhizhe Sihai dated December 21, 2021 (incorporated herein by reference to Exhibit 4.5 to the annual report on Form 20-F (File No. 001-40253) filed with the Securities and Exchange Commission on April 8, 2022)
4.5	English translation of Share Pledge Agreement between Zhizhe Sihai, Zhizhe Tianxia, and its shareholders dated December 21, 2021 (incorporated herein by reference to Exhibit 4.6 to the annual report on Form 20-F (File No. 001-40253) filed with the Securities and Exchange Commission on April 8, 2022)
4.6	English translation of Exclusive Option Agreement between Zhizhe Sihai, Zhizhe Tianxia, and its shareholders dated December 21, 2021 (incorporated herein by reference to Exhibit 4.7 to the annual report on Form 20-F (File No. 001-40253) filed with the Securities and Exchange Commission on April 8, 2022)
4.7	English translation of Exclusive Technology Development, Consultancy, and Services Agreement between Shanghai Zhishi and Shanghai Pinzhi dated September 7, 2021 (incorporated herein by reference to Exhibit 4.8 to the annual report on Form 20-F (File No. 001-40253) filed with the Securities and Exchange Commission on April 8, 2022)
4.8	English translation of Power of Attorney issued by the shareholders of Shanghai Pinzhi dated September 7, 2021 (incorporated herein by reference to Exhibit 4.9 to the annual report on Form 20-F (File No. 001-40253) filed with the Securities and Exchange Commission on April 8, 2022)
4.9	English translation of Share Pledge Agreement between Shanghai Zhishi, Shanghai Pinzhi, and its shareholders dated September 7, 2021 (incorporated herein by reference to Exhibit 4.10 to the annual report on Form 20-F (File No. 001-40253) filed with the Securities and Exchange Commission on April 8, 2022)

4.10	English translation of Exclusive Option Agreement between Shanghai Zhishi, Shanghai Pinzhi, and its shareholders dated September 7, 2021 (incorporated herein by reference to Exhibit 4.11 to the annual report on Form 20-F (File No. 001-40253) filed with the Securities and Exchange Commission on April 8, 2022)
4.11	2022 Share Incentive Plan (incorporated herein by reference to Exhibit 10.1 to the registration statement on Form S-8 (File No. 333-265451) filed with the Securities and Exchange Commission on June 7, 2022)
4.12	English translation of the Exclusive Business Cooperation Agreement between Wuhan Bofeng and Wuhan Xinyue dated July 31, 2023 (incorporated herein by reference to Exhibit 4.16 to the annual report on Form 20 - F (File No. 001 - 40253) filed by the Registrant with the Securities and Exchange Commission on April 26, 2024)
4.13	English translation of executed form of Shareholders' Rights Entrustment Agreement between Wuhan Xinyue, its shareholders, and Wuhan Bofeng dated July 31, 2023 (incorporated herein by reference to Exhibit 4.17 to the annual report on Form 20 - F (File No. 001 - 40253) filed by the Registrant with the Securities and Exchange Commission on April 26, 2024)
4.14	English translation of Share Pledge Agreement between Wuhan Bofeng, Wuhan Xinyue, and its shareholders dated July 31, 2023 (incorporated herein by reference to Exhibit 4.18 to the annual report on Form 20 - F (File No. 001 - 40253) filed by the Registrant with the Securities and Exchange Commission on April 26, 2024)
4.15	English translation of Exclusive Option Agreement between Wuhan Bofeng, Wuhan Xinyue, and its shareholders dated July 31, 2023 (incorporated herein by reference to Exhibit 4.19 to the annual report on Form 20 - F (File No. 001 - 40253) filed by the Registrant with the Securities and Exchange Commission on April 26, 2024)
8.1*	Principal Subsidiaries of the Registrant
11.1	Code of Business Conduct and Ethics of the Registrant (incorporated herein by reference to Exhibit 99.1 to the registration statement on Form F-1, as amended (File No. 333-253910), initially filed with the Securities and Exchange Commission on March 5, 2021)
11.2	Amended and Restated Statement of Policies Governing Material Non-Public Information and the Prevention of Insider Trading of the Registrant (incorporated herein by reference to Exhibit 11.2 to the annual report on Form 20-F (File No. 001-40253) filed by the Registrant with the Securities and Exchange Commission on April 15, 2025)
12.1*	CEO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12.2*	CFO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
13.1**	CEO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2**	CFO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.1*	Consent of Maples and Calder (Hong Kong) LLP
15.2*	Consent of Global Law Office
15.3*	Consent of PricewaterhouseCoopers Zhong Tian LLP
97.1	Clawback Policy of the Registrant (incorporated herein by reference to Exhibit 97.1 to the annual report on Form 20 - F (File No. 001 - 40253) filed by the Registrant with the Securities and Exchange Commission on April 26, 2024)
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Scheme Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

Notes:

* Filed with this annual report on Form 20-F.

** Furnished with this annual report on Form 20-F.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Zhihu Inc.

By: /s/ Yuan Zhou
Name: Yuan Zhou
Title: Chairman and Chief Executive Officer

Date: April 17, 2026

Zhihu Inc.

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Zhihu Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Zhihu Inc. and its subsidiaries (the "Company") as of December 31, 2025 and 2024, and the related consolidated statements of operations and comprehensive loss, of changes in shareholders' equity and of cash flows for each of the three years in the period ended December 31, 2025, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control over Financial Reporting appearing under Item 15. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Allowance for expected credit losses on trade receivables

As described in Note 2(j) to the consolidated financial statements, as of December 31, 2025, the balance of gross trade receivables was RMB467.7 million, against which an allowance for expected credit losses of RMB109.7 million was made. The allowance for expected credit losses was made based on an estimate of the current expected credit losses to be incurred over the expected life of these trade receivables. Management identified relevant risk characteristics, which include size, type of services or products the Company provides. Trade receivables with similar risk characteristics had been grouped into portfolio groups. For each portfolio group, management considered the historical default rates and forward-looking information to develop the estimated credit loss rates.

The principal considerations for our determination that performing procedures relating to the allowance for expected credit losses on trade receivables is a critical audit matter are the significant judgments by management when developing the current expected credit losses to be incurred over the expected life of these trade receivables, which in turn led to a high degree of auditor judgment, subjectivity and significant audit effort in performing procedures and evaluating management's significant judgments and assumptions, including portfolio groups, historical default rates and forward-looking information. In addition, the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the allowance for expected credit losses on trade receivables. These procedures also included, among others, the involvement of professionals with specialized skill and knowledge to assist in testing management's process to estimate the allowance for expected credit losses on trade receivables. The testing of management's process included (i) assessing the appropriateness of the models and methodology used; (ii) assessing the reasonableness of the portfolio groups of trade receivables used by management by evaluating the heterogeneity among different portfolio groups and the homogeneity within the same portfolio group; (iii) assessing the reasonableness of estimated credit loss rates used by management by evaluating the historical default rates and assessing the reasonableness and application of forward-looking information by comparing with publicly available forecasts from third-party institutions; and (iv) testing the accuracy and completeness of the key data inputs such as the ending balance and aging schedule of trade receivables, and testing the mathematical accuracy of the calculation of the allowance for expected credit losses.

/s/PricewaterhouseCoopers Zhong Tian LLP
Beijing, the People's Republic of China
April 17, 2026

We have served as the Company's auditor since 2017.

Zhihu Inc.

CONSOLIDATED BALANCE SHEETS

(All amounts in thousands, except for share and per share data)

	As of December 31,		
	2024	2025	2025
	RMB	RMB	US$
ASSETS			
Current assets:			
Cash and cash equivalents	3,999,160	3,369,154	481,783
Term deposits	320,088	30,000	4,290
Short-term investments	538,816	840,938	120,253
Restricted cash	900	1,078	154
Trade receivables	420,636	357,998	51,193
Amounts due from related parties	41,588	25,570	3,656
Prepayments and other current assets	163,446	107,265	15,339
Total current assets	**5,484,634**	**4,732,003**	**676,668**
Non-current assets:			
Property and equipment, net	8,490	5,349	765
Intangible assets, net	54,534	29,588	4,231
Goodwill	126,344	—	—
Long-term investments, net	51,176	158,480	22,662
Term deposits	—	210,000	30,030
Right-of-use assets	7,151	42,063	6,015
Other non-current assets	623	13,391	1,915
Total non-current assets	**248,318**	**458,871**	**65,618**
Total assets	**5,732,952**	**5,190,874**	**742,286**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities (including amounts of the consolidated VIEs and their subsidiaries without recourse to the primary beneficiaries of RMB448,836 and RMB356,907 as of December 31, 2024 and 2025, respectively):			
Accounts payable and accrued liabilities	835,688	681,307	97,426
Salary and welfare payables	275,260	188,038	26,889
Taxes payable	22,081	16,285	2,329
Contract liabilities	235,539	186,034	26,603
Amounts due to related parties	6,825	16,135	2,307
Short-term lease liabilities	17,308	21,382	3,058
Short-term borrowings	—	35,000	5,005
Other current liabilities	131,955	124,233	17,765
Total current liabilities	**1,524,656**	**1,268,414**	**181,382**
Non-current liabilities (including amounts of the consolidated VIEs and their subsidiaries without recourse to the primary beneficiaries of RMB8,637 and RMB7,553 as of December 31, 2024 and 2025, respectively):			
Long-term lease liabilities	1,823	15,592	2,230
Deferred tax liabilities	6,830	27,174	3,885
Other non-current liabilities	3,957	4,650	665
Total non-current liabilities	**12,610**	**47,416**	**6,780**
Total liabilities	**1,537,266**	**1,315,830**	**188,162**

Zhihu Inc.

CONSOLIDATED BALANCE SHEETS (Continued)

(All amounts in thousands, except for share and per share data)

	As of December 31,		
	2024	2025	2025
	RMB	RMB	US$
Commitments and contingencies (See Note 18)			
Shareholders' equity:			
Class A Ordinary shares (US$0.000125 par value, 1,550,000,000 and 1,550,000,000 shares authorized as of December 31, 2024 and 2025, respectively; 246,496,859 and 249,007,733 shares issued and outstanding as of December 31, 2024 and 2025, respectively)	191	195	28
Class B Ordinary shares (US$0.000125 par value, 50,000,000 and 50,000,000 shares authorized as of December 31, 2024 and 2025, respectively; 15,446,778 and 15,446,778 shares issued and outstanding as of December 31, 2024 and 2025, respectively)	12	12	2
Treasury stock	(112,057)	(275,059)	(39,333)
Additional paid-in capital	13,113,010	13,183,041	1,885,150
Statutory reserves	435	706	101
Accumulated other comprehensive income/(loss)	12,383	(33,736)	(4,824)
Accumulated deficit	(8,877,851)	(9,071,023)	(1,297,140)
Total Zhihu Inc.'s shareholders' equity	**4,136,123**	**3,804,136**	**543,984**
Noncontrolling interests	59,563	70,908	10,140
Total shareholders' equity	**4,195,686**	**3,875,044**	**554,124**
Total liabilities and shareholders' equity	**5,732,952**	**5,190,874**	**742,286**

The accompanying notes are an integral part of these consolidated financial statements.

Zhihu Inc.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(All amounts in thousands, except for share and per share data)

	For the Year Ended December 31,			
	2023	2024	2025	2025
	RMB	RMB	RMB	US$
Revenues (including transactions with related parties of RMB35,147, RMB30,830 and RMB47,472 for the years ended December 31, 2023, 2024 and 2025, respectively)	4,198,889	3,598,905	2,749,004	393,103
Cost of revenues (including transactions with related parties of RMB37,074, RMB29,332 and RMB21,934 for the years ended December 31, 2023, 2024 and 2025, respectively)	(1,903,041)	(1,418,076)	(1,101,259)	(157,478)
Gross profit	**2,295,848**	**2,180,829**	**1,647,745**	**235,625**
Operating expenses:				
Selling and marketing expenses (including transactions with related parties of RMB2,585, RMB57,339 and RMB28,158 for the years ended December 31, 2023, 2024 and 2025, respectively)	(2,048,090)	(1,599,186)	(1,252,274)	(179,073)
Research and development expenses (including transactions with related parties of nil, RMB1,167 and RMB1,388 for the years ended December 31, 2023, 2024 and 2025, respectively)	(901,452)	(732,553)	(524,996)	(75,073)
General and administrative expenses (including transactions with related parties of nil, RMB3,792 and RMB2,453 for the years ended December 31, 2023, 2024 and 2025, respectively)	(418,531)	(330,173)	(251,419)	(35,952)
Impairment of goodwill	—	—	(126,344)	(18,067)
Total operating expenses	**(3,368,073)**	**(2,661,912)**	**(2,155,033)**	**(308,165)**
Loss from operations	**(1,072,225)**	**(481,083)**	**(507,288)**	**(72,540)**
Other income/(expenses):				
Investment income	41,695	65,441	231,864	33,156
Interest income	158,671	114,964	71,542	10,230
Fair value change of financial instruments	(5,170)	78,405	—	—
Exchange gains/(losses)	97	1,013	(233)	(33)
Others, net	49,236	42,902	30,641	4,382
Loss before income tax	**(827,696)**	**(178,358)**	**(173,474)**	**(24,805)**
Income tax (expenses)/benefits	(11,832)	9,391	(21,687)	(3,101)
Net loss	**(839,528)**	**(168,967)**	**(195,161)**	**(27,906)**
Net (income)/loss attributable to noncontrolling interests	(4,113)	(2,835)	2,260	323
Net loss attributable to Zhihu Inc.'s shareholders	**(843,641)**	**(171,802)**	**(192,901)**	**(27,583)**
Net loss	**(839,528)**	**(168,967)**	**(195,161)**	**(27,906)**
Other comprehensive income/(loss):				
Foreign currency translation adjustments	45,257	32,964	(46,102)	(6,592)
Total other comprehensive income/(loss)	**45,257**	**32,964**	**(46,102)**	**(6,592)**
Total comprehensive loss	**(794,271)**	**(136,003)**	**(241,263)**	**(34,498)**
Comprehensive (income)/loss attributable to noncontrolling interests	(4,113)	(2,865)	2,243	321
Comprehensive loss attributable to Zhihu Inc.'s shareholders	**(798,384)**	**(138,868)**	**(239,020)**	**(34,177)**
Net loss per share, basic and diluted	(2.82)	(0.63)	(0.80)	(0.11)
Weighted average number of ordinary shares, basic and diluted	299,132,894	273,560,865	240,043,649	240,043,649

Zhihu Inc.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS (Continued)

(All amounts in thousands, except for share and per share data)

	For the Year Ended December 31,			
	2023	2024	2025	2025
	RMB	RMB	RMB	US$
Share-based compensation expenses included in:				
Cost of revenues	9,751	3,949	(595)	(85)
Selling and marketing expenses	13,882	(1,975)	31	4
Research and development expenses	49,847	7,916	5,501	787
General and administrative expenses	91,176	49,372	82,346	11,775

The accompanying notes are an integral part of these consolidated financial statements

Zhihu Inc.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(All amounts in thousands, except for share and per share data)

	Class A ordinary shares		Class B ordinary shares		Treasury stock		Additional paid-in capital	Statutory reserves	Accumulated other comprehensive loss	Accumulated deficit	Non controlling interests	Total shareholders' equity
	Shares	Amount	Shares	Amount	Shares	Amount						
		RMB		RMB		RMB	RMB	RMB	RMB	RMB	RMB	RMB
Balance as of December 31, 2022	**288,149,510**	**234**	**18,940,652**	**15**	**(2,166,087)**	**(33,814)**	**13,615,042**	**—**	**(65,808)**	**(7,861,973)**	**40,572**	**5,694,268**
Net (loss)/income	—	—	—	—	—	—	—	—	—	(843,641)	4,113	(839,528)
Share-based compensation expenses	—	—	—	—	—	—	115,358	—	—	—	49,298	164,656
Acquisition of a subsidiary	—	—	—	—	—	—	—	—	—	—	7,327	7,327
Capital contribution from noncontrolling interests	—	—	—	—	—	—	—	—	—	—	490	490
Foreign currency translation adjustments	—	—	—	—	—	—	—	—	45,257	—	—	45,257
Repurchase of shares	—	—	—	—	(24,582,185)	(369,569)	—	—	—	—	—	(369,569)
Cancellation of shares	(13,482,680)	(12)	—	—	13,482,680	241,746	(248,108)	—	—	—	—	(6,374)
Exercise and vesting of share options and restricted shares	4,885,428	4	—	—	—	—	5,079	—	—	—	—	5,083
Conversion of ordinary shares	795,047	1	(795,047)	(1)	—	—	—	—	—	—	—	—
Appropriations to statutory reserves	—	—	—	—	—	—	—	2,680	—	(2,680)	—	—
Balance as of December 31, 2023	**280,347,305**	**227**	**18,145,605**	**14**	**(13,265,592)**	**(161,637)**	**13,487,371**	**2,680**	**(20,551)**	**(8,708,294)**	**101,800**	**4,701,610**

Zhihu Inc.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)

(All amounts in thousands, except for share and per share data)

	Class A ordinary shares		Class B ordinary shares		Treasury stock		Additional paid-in capital	Statutory reserves	Accumulated other comprehensive (loss)/income	Accumulated deficit	Non controlling interests	Total shareholders' equity
	Shares	Amount	Shares	Amount	Shares	Amount						
		RMB		RMB		RMB	RMB	RMB	RMB	RMB	RMB	RMB
Balance as of December 31, 2023	**280,347,305**	**227**	**18,145,605**	**14**	**(13,265,592)**	**(161,637)**	**13,487,371**	**2,680**	**(20,551)**	**(8,708,294)**	**101,800**	**4,701,610**
Net (loss)/income	—	—	—	—	—	—	—	—	—	(171,802)	2,835	(168,967)
Share-based compensation expenses	—	—	—	—	—	—	45,013	—	—	—	14,249	59,262
Acquisition of a subsidiary with noncontrolling interests	—	—	—	—	—	—	33,724	—	—	—	(33,724)	—
Disposal of a subsidiary	—	—	—	—	—	—	—	(2,245)	—	2,245	(25,827)	(25,827)
Capital contribution from noncontrolling interests	—	—	—	—	—	—	—	—	—	—	200	200
Foreign currency translation adjustments	—	—	—	—	—	—	—	—	32,934	—	30	32,964
Repurchase of shares	—	—	—	—	(43,648,259)	(400,707)	—	—	—	—	—	(400,707)
Cancellation of shares	(45,767,659)	(41)	—	—	45,767,659	432,446	(436,404)	—	—	—	—	(3,999)
Exercise and vesting of share options and restricted shares	2,833,975	3	—	—	1,194,705	17,841	(16,694)	—	—	—	—	1,150
Conversion of ordinary shares	2,698,827	2	(2,698,827)	(2)	—	—	—	—	—	—	—	—
Balance as of December 31, 2024	**240,112,448**	**191**	**15,446,778**	**12**	**(9,951,487)**	**(112,057)**	**13,113,010**	**435**	**12,383**	**(8,877,851)**	**59,563**	**4,195,686**

The accompanying notes are an integral part of these consolidated financial statements.

Zhihu Inc.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)

(All amounts in thousands, except for share and per share data)

	Class A ordinary shares		Class B ordinary shares		Treasury stock		Additional paid-in capital	Statutory reserves	Accumulated other comprehensive income/(loss)	Accumulated deficit	Non controlling interests	Total shareholders' equity
	Shares	Amount	Shares	Amount	Shares	Amount						
		RMB		RMB		RMB	RMB	RMB	RMB	RMB	RMB	RMB
Balance as of December 31, 2024	**240,112,448**	**191**	**15,446,778**	**12**	**(9,951,487)**	**(112,057)**	**13,113,010**	**435**	**12,383**	**(8,877,851)**	**59,563**	**4,195,686**
Net loss	—	—	—	—	—	—	—	—	—	(192,901)	(2,260)	(195,161)
Share-based compensation expenses	—	—	—	—	—	—	73,695	—	—	—	13,588	87,283
Foreign currency translation adjustments	—	—	—	—	—	—	—	—	(46,119)	—	17	(46,102)
Repurchase of shares	—	—	—	—	(16,644,029)	(167,060)	—	—	—	—	—	(167,060)
Exercise and vesting of share options and restricted shares	4,301,702	4	—	—	270,892	4,058	(3,664)	—	—	—	—	398
Appropriations to statutory reserves	—	—	—	—	—	—	—	271	—	(271)	—	—
Balance as of December 31, 2025	**244,414,150**	**195**	**15,446,778**	**12**	**(26,324,624)**	**(275,059)**	**13,183,041**	**706**	**(33,736)**	**(9,071,023)**	**70,908**	**3,875,044**

The accompanying notes are an integral part of these consolidated financial statements.

Zhihu Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(All amounts in thousands, except for share and per share data)

	For the Year Ended December 31,			
	2023	2024	2025	2025
	RMB	RMB	RMB	US$
Cash flows from operating activities:				
Net loss	(839,528)	(168,967)	(195,161)	(27,906)
Depreciation of property and equipment and amortization of intangible assets	24,892	21,948	19,003	2,717
Share-based compensation expenses	164,656	59,262	87,283	12,481
Accrued investment income of short-term investments	(37,514)	(58,321)	(71,512)	(10,226)
Investment income of long-term investments	—	—	(159,205)	(22,766)
Deferred income tax	(3,806)	(3,025)	20,344	2,909
Provision/(Reversal) of allowance for expected credit loss	29,916	36,734	(26,798)	(3,832)
Loss/(Gain) on disposal of property and equipment	402	(6)	(392)	(56)
Gain on disposal of a subsidiary	—	(4,928)	—	—
Fair value changes of financial instruments	5,170	(78,405)	—	—
Impairment of goodwill	—	—	126,344	18,067
Impairment of intangible assets	—	—	10,460	1,496
Changes in operating assets and liabilities:				
Trade receivables	64,411	208,244	90,077	12,881
Prepayments and other current assets	(41,724)	63,278	47,173	6,746
Right-of-use assets	59,908	33,060	(34,912)	(4,992)
Other non-current assets	13,061	66	(6,460)	(924)
Accounts payable and accrued liabilities	220,243	(183,369)	(154,337)	(22,070)
Contract liabilities	(87,060)	(59,529)	(48,811)	(6,980)
Amounts due from/to related parties	7,442	(45,102)	27,623	3,950
Taxes payable	(4,692)	955	(5,796)	(829)
Salary and welfare payables	56,869	(65,400)	(87,222)	(12,473)
Other current liabilities	2,653	(10,080)	(19,149)	(2,738)
Lease liabilities	(50,826)	(26,600)	17,843	2,552
Net cash used in operating activities	(415,527)	(280,185)	(363,605)	(51,993)
Cash flows from investing activities:				
Cash paid for long-term investments	(30,000)	(21,176)	(12,649)	(1,809)
Cash received from sale of long-term investments	—	—	76,767	10,978
Purchases of short-term investments	(7,533,252)	(9,114,732)	(13,415,852)	(1,918,441)
Proceeds of maturities of short-term investments	6,584,256	10,409,987	13,164,449	1,882,491
Purchases of term deposits	(2,677,594)	(673,373)	(742,525)	(106,180)
Proceeds from withdrawal of term deposits	2,047,915	1,952,455	814,494	116,471
Purchase of intangible assets	(381)	—	(137)	(20)
Purchases of property and equipment	(8,489)	(2,731)	(1,319)	(189)
(Payment for)/Proceeds from disposal of property and equipment	(5)	27	471	67
Acquisition of subsidiaries, net of cash acquired	(63,590)	—	—	—
Proceeds from disposal of a subsidiary, net of cash disposed	—	12,160	—	—
Net cash (used in)/provided by investing activities	(1,681,140)	2,562,617	(116,301)	(16,632)
Cash flows from financing activities:				
Capital contribution from non-controlling interests shareholder	—	200	—	—
Proceeds from short-term borrowings	—	51,774	196,294	28,070
Repayment of short-term borrowings	—	(51,774)	(161,294)	(23,065)
Acquisition of a subsidiary with noncontrolling interests	—	(4,513)	—	—
Proceeds received from employees in relation to share options and restricted shares	4,513	1,158	431	62
Payments for repurchase of shares	(369,569)	(400,707)	(167,060)	(23,889)
Net cash used in financing activities	(365,056)	(403,862)	(131,629)	(18,822)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	42,510	14,851	(18,293)	(2,617)
Net (decrease)/increase in cash, cash equivalents and restricted cash	(2,419,213)	1,893,421	(629,828)	(90,064)
Cash, cash equivalents and restricted cash at beginning of the year	4,525,852	2,106,639	4,000,060	572,001
Cash, cash equivalents and restricted cash at end of the year	2,106,639	4,000,060	3,370,232	481,937

Zhihu Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

(All amounts in thousands, except for share and per share data)

	For the Year Ended December 31,			
	2023	2024	2025	2025
	RMB	RMB	RMB	US$
Supplemental disclosures of cash flows information:				
Cash paid for income taxes, net of tax refund	11,143	1,783	3,819	546
Cash paid for interest expense	—	—	1,438	206
Supplemental schedule of non-cash investing and financing activities:				
Unpaid consideration for acquisition (including contingent consideration)	78,362	—	—	—
Unpaid consideration for long-term investments	14,621	—	12,300	1,759

The accompanying notes are an integral part of these consolidated financial statements.

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Operations and Principal Activities

(a) Principal activities

Zhihu Inc., (the "Company" or "Zhihu"), previously known as Zhihu Technology Limited, was incorporated in the Cayman Islands on May 17, 2011 under the Cayman Islands Companies Law as an exempted company with limited liability. The Company, through its consolidated subsidiaries, variable interest entities ("VIEs") and VIEs' subsidiaries (collectively referred to as the "Group") is primarily engaged in the operation of one online content community which monetizes through paid membership services, marketing services and other services in the People's Republic of China (the "PRC" or "China"). In March 2021, the Company completed its initial public offering (the "IPO") on the New York Stock Exchange in the United States of America. In April 2022, the Company successfully listed its Class A ordinary shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "HKEX").

As of December 31, 2025, the Company's major subsidiaries, VIEs and major VIEs' subsidiaries are as follows:

	Place and year of Incorporation/acquisition	Principal activities
Major Subsidiaries		
Zhihu Technology (HK) Limited	Hong Kong, 2011	Investment holding in Hong Kong
Zhizhe Sihai (Beijing) Technology Co., Ltd.	PRC, 2012	Technology, business support and consulting service in the PRC
Beijing Zhihu Network Technology Co., Ltd.	PRC, 2018	Information and marketing service in the PRC
Shanghai Zhishi Technology Co., Ltd.	PRC, 2021	Technology and consulting service in the PRC
Wuhan Zhihu Network Technology Co., Ltd.	PRC, 2024	Information and marketing service in the PRC
Wuhan Bofeng Technology Co., Ltd.	PRC, 2023	Technology and consulting service in the PRC
VIEs		
Beijing Zhizhe Tianxia Technology Co., Ltd.	PRC, 2011	Internet service in the PRC
Shanghai Pinzhi Education Technology Co., Ltd.	PRC, 2021	Vocational training in the PRC
Wuhan Xinyue Network Technology Co., Ltd.	PRC, 2023	Information and consulting service in the PRC
Major VIEs' subsidiaries		
Beijing Leimeng Shengtong Cultural Development Co., Ltd.	PRC, 2017	Audio-Visual Permit holder in the PRC
Wuhan Zhibo Wenshuo Technology Co., Ltd.	PRC, 2023	Internet service in the PRC

(b) VIE arrangements between the Company's PRC subsidiaries

The Company, through Zhizhe Sihai (Beijing) Technology Co., Ltd. ("Zhizhe Sihai"), Shanghai Zhishi Technology Co., Ltd. and Wuhan Bofeng Technology Co., Ltd. ("WFOEs"), entered into the following contractual arrangements with Beijing Zhizhe Tianxia Technology Co., Ltd. ("Zhizhe Tianxia"), Shanghai Pinzhi Education Technology Co., Ltd. and Wuhan Xinyue Network Technology Co., Ltd. ("VIEs") and their shareholders, respectively, that enabled the Company to (1) have power to direct the activities that most significantly affect the economic performance of the VIEs, and (2) bear the risks and enjoy the rewards normally associated with ownership of the VIEs. Accordingly, WFOEs have a controlling financial interest in the VIEs and are considered the primary beneficiary of the VIEs. As such, the financial results of operations, assets and liabilities of the VIEs were included in the Group's consolidated financial statements.

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Operations and Principal Activities (Continued)

(b) VIE arrangements between the Company's PRC subsidiaries (Continued)

The following is a summary of the contractual agreements entered into by and among the WFOEs, the VIEs and their shareholders:

i) Contracts that give the Company effective control of the VIEs

Exclusive Share Option Agreements. Pursuant to the exclusive share option agreements among the WFOEs, the VIEs and the VIEs' shareholders, each of the shareholders of the relevant VIE irrevocably granted the relevant WFOE an exclusive option to purchase, or have its designated person to purchase, at its discretion, to the extent permitted under PRC law, all or part of his or her equity interests in the relevant VIE, and the purchase price shall be RMB10 or the price permitted by applicable the PRC law. The shareholders of the VIEs undertake that, without the prior written consent of the WFOEs, they will not, among other things, (i) change VIEs' registered capital, (ii) merge VIEs with any other entity, (iii) sell, transfer, mortgage, or dispose of VIEs' assets, or (iv) amend VIEs' articles of association. The exclusive share option agreements will remain effective unless the WFOEs terminate these agreements with written request or other circumstances mentioned therein take place. The agreements amongst the VIEs, the relevant subsidiaries and VIEs' shareholders that provide the Company's effective control over these VIEs contain substantially the same terms, except that contract termination date and materiality threshold for the corporate actions that require WFOEs' consent vary.

Shareholders Voting Proxy Agreements. Pursuant to the shareholders voting proxy agreement, each shareholder of the relevant VIE irrevocably authorized the relevant WFOE to act on his or her respective behalf as proxy attorney, to exercise the voting and management rights of shareholders concerning all the equity interests held by each of them in the VIEs, including but not limited to voting rights, rights of operation and management, and all other rights as shareholders under the articles of association of the VIEs. The agreements amongst the VIEs, the relevant subsidiaries and VIEs' shareholders that provide the Company effective control over these VIEs contain substantially the same terms, except that contract termination date varies.

Equity Interest Pledge Agreements. Pursuant to the equity interest pledge agreements, the shareholders pledge 100% of their equity interests in the VIEs to the WFOEs to guarantee the performance by the VIEs and their shareholders of their obligations under the exclusive business cooperation agreement, the exclusive share option agreements and the shareholders voting proxy agreement. In the event of a breach by the VIEs or any shareholder of contractual obligations under the equity interest pledge agreement, the WFOEs, as pledgee, will have the right to dispose of the pledged equity interests in the VIEs and will have priority in receiving the proceeds from such disposal. The shareholders of the VIEs agree that, without the WFOEs' prior written consent, during the term of the equity interest pledge agreements, they will not dispose of, create, or allow any encumbrance on the pledged equity interests. The agreements amongst the VIEs, the relevant subsidiaries and VIEs' shareholders that provide the Company effective control over these VIEs contain substantially the same terms, except that contract termination date varies.

Spousal Consent Letters. Spouses of shareholders of the VIEs have each signed the spousal consent letter. Each signing spouse of the relevant shareholder unconditionally and irrevocably agreed that the equity interests in the VIEs held by and registered in the name of such shareholder be disposed of in accordance with the equity interest pledge agreements, the exclusive share option agreements, the shareholders voting proxy agreements, and the exclusive business cooperation agreements, and that such shareholder may perform, amend or terminate such agreements without any additional consent of his or her spouse. Additionally, the signing spouses agreed not to assert any rights over the equity interests in the VIEs held by the shareholders. In addition, in the event that the signing spouses obtain any equity interests in the VIEs held by the shareholders for any reason, they agree to be bound by and sign any legal documents substantially similar to the contractual arrangements described above, as may be amended from time to time.

Loan agreements. Pursuant to the loan agreements, Zhizhe Sihai has granted interest-free loans to the equity holders of Zhizhe Tianxia, with the sole purpose of providing funds necessary for the equity holders to make capital injections to Zhizhe Tianxia. The term of the loans is indefinite and Zhizhe Sihai has the right, at its own discretion, to shorten the term of the loans if necessary. In the consolidated financial statements, these loans are eliminated with the capital of Zhizhe Tianxia during consolidation.

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Operations and Principal Activities (Continued)

(b) VIE arrangements between the Company's PRC subsidiaries (Continued)

i) Contracts that give the Company effective control of the VIEs (Continued)

Minority Investment in Zhizhe Tianxia

In April 2024, Beijing Radio and Television Station, or BRTS, made an investment of RMB0.2 million in Zhizhe Tianxia for 1% of Zhizhe Tianxia's enlarged registered capital. Such third-party minority stake holder is entitled to customary economic rights in proportion to its equity ownership, and certain minority shareholder rights such as the right to appoint a director to Zhizhe Tianxia's three-member board of directors, and veto rights over certain matters.

The third-party minority stake holder is not a party to the contractual arrangements mentioned above that are currently in effect among Zhizhe Sihai, Zhizhe Tianxia, and other shareholders of Zhizhe Tianxia. As such, despite the fact that the Company is still able to enjoy economic benefits and exercise effective control over Zhizhe Tianxia and its subsidiaries, the Company is not able to purchase or have the third-party minority stake holder pledge its 1% equity interests in Zhizhe Tianxia in the same manner as agreed under existing contractual arrangements, nor is it granted the authorization of voting rights over these 1% equity interests. The Company believes Zhizhe Sihai, the wholly-owned PRC subsidiary, still is the primary beneficiary of Zhizhe Tianxia for accounting purpose as it continues to have a controlling financial interest in Zhizhe Tianxia pursuant to ASC 810-10-25-38A after the issuance of such 1% equity interests.

ii) Contracts that enable the Company to receive substantially all of the economic benefits from the VIEs

Exclusive business cooperation agreements. Each VIE has entered into an exclusive business cooperation agreement with the relevant WFOE, pursuant to which the WFOE provides exclusive services to the VIEs. In exchange, the VIEs pay a service fee to the WFOEs, the amount of which shall be determined, to the extent permitted by applicable PRC laws as proposed by the WFOEs, resulting in a transfer of substantially all of the profits from the VIEs to the WFOEs. The agreements amongst the VIEs, the relevant subsidiaries and VIE's shareholders provide the Company's right to receive substantially all of the economic benefits from the VIEs, except that contract termination date varies.

iii) Risks in relation to VIE structure

Part of the Group's business is conducted through the VIEs of the Group, of which the Company is the ultimate primary beneficiary. In the opinion of the management, the contractual arrangements with the VIEs and the nominee shareholders are in compliance with PRC laws and regulations and are legally binding and enforceable. The nominee shareholders indicate they will not act contrary to the contractual arrangements. However, there are substantial uncertainties regarding the interpretation and application of the PRC laws and regulations including those that govern the contractual arrangements, which could limit the Group's ability to enforce these contractual arrangements and if the nominee shareholders of the VIEs were to reduce their interests in the Group, their interests may diverge from that of the Group and that may potentially increase the risk that they would seek to act contrary to the contractual arrangements.

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Operations and Principal Activities (Continued)

(b) VIE arrangements between the Company's PRC subsidiaries (Continued)

iii) Risks in relation to VIE structure (Continued)

On March 15, 2019, the National People's Congress approved the Foreign Investment Law, which took effect on January 1, 2020. Along with the Foreign Investment Law, the Implementing Rules of Foreign Investment Law promulgated by the State Council and the Interpretation of the Supreme People's Court on Several Issues Concerning the Application of the Foreign Investment Law promulgated by the Supreme People's Court became effective on January 1, 2020. However, uncertainties still exist in relation to further application and improvement of the Foreign Investment Law and its current implementation and interpretation rules. The Foreign Investment Law and its current implementation and interpretation rules do not explicitly classify whether variable interest entities that are controlled through contractual arrangements would be deemed as foreign-invested enterprises if they are ultimately "controlled" by foreign investors. However, it has a catch-all provision under the definition of "foreign investment" that includes investments made by foreign investors in China through other means as provided by laws, administrative regulations, or the State Council. Therefore, it still leaves leeway for future laws, administrative regulations, or provisions of the State Council to provide for contractual arrangements as a form of foreign investment. Therefore, there can be no assurance that the Group's control over the variable interest entities through contractual arrangements will not be deemed as a foreign investment in the future. Furthermore, if future laws, administrative regulations or provisions mandate further actions to be taken by companies with respect to existing contractual arrangements, the Group may face substantial uncertainties as to whether the Group can complete such actions in a timely manner, or at all. Failure to take timely and appropriate measures to cope with any of these or similar regulatory compliance challenges could materially and adversely affect the Group's current corporate structure and business operations.

If the Group is found in violation of any PRC laws or regulations or if the contractual arrangements among WFOEs, VIEs and their nominee shareholders are determined as illegal or invalid by any PRC court, arbitral tribunal or regulatory authorities, the relevant governmental authorities would have broad discretion in dealing with such violation, including, without limitation:

- revoke the agreements constituting the contractual arrangements;
- revoke the Group's business and operating licenses;
- require the Group to discontinue or restrict operations;
- restrict the Group's right to collect revenue;
- restrict or prohibit the Group's use of the proceeds from the public offering to fund the Group's business and operations in China;
- shut down all or part of the Group's websites, apps or services;
- levy fines on the Group or confiscate the proceeds that they deem to have been obtained through non-compliant operations;
- require the Group to restructure the operations in such a way as to compel the Group to establish a new enterprise, re-apply for the necessary licenses or relocate the Group's businesses, staff, and assets;
- impose additional conditions or requirements with which the Group may not be able to comply; or
- take other regulatory or enforcement actions that could be harmful to the Group's business.

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Operations and Principal Activities (Continued)

(b) VIE arrangements between the Company's PRC subsidiaries (Continued)

iii) Risks in relation to VIE structure (Continued)

The imposition of any of these penalties may result in a material and adverse effect on the Group's ability to conduct the Group's businesses. In addition, if the imposition of any of these penalties causes the Group to lose the right to direct the activities of the VIE (through its equity interests in its subsidiaries) or the right to receive their economic benefits, the Group will no longer be able to consolidate the VIEs and their subsidiaries, if any. In the opinion of management, each agreement of the contractual arrangements between the WFOEs, the VIEs, and their equity holders governed by PRC law is valid, binding, and enforceable in accordance with their terms, subject to enforceability to applicable bankruptcy, insolvency, moratorium, reorganization, and similar laws affecting creditors' rights generally, the discretion of the government authorities in exercising their authority in connection with the interpretation and implementation thereof, and the application of the PRC laws and policies thereto, and general equity principles; and each such agreement does not violate any applicable and explicit PRC law currently in effect. There may be, however, uncertainties regarding the interpretation and application of current or future PRC laws and regulations. Therefore, there is no assurance that relevant PRC authorities will not ultimately take a contrary view.

The following consolidated financial information of the Group's VIEs and their subsidiaries as of December 31, 2024 and 2025 and for the years ended December 31, 2023, 2024 and 2025 was included in the accompanying consolidated financial statements of the Group as follows (in thousands):

	As of December 31,	
	2024	2025
	RMB	RMB
ASSETS		
Current assets:		
Cash and cash equivalents	496,891	368,887
Short-term investments	5,624	54,801
Restricted cash	900	1,078
Trade receivables	70,894	77,203
Amounts due from related parties	11,062	14,348
Amounts due from Group companies	47,479	42,107
Prepayments and other current assets	86,390	55,073
Non-current assets:		
Property and equipment, net	456	624
Intangible assets, net	41,542	18,791
Goodwill	103,514	—
Right-of-use assets	2,320	6,306
Other non-current assets	378	919
Total assets	**867,450**	**640,137**
Current liabilities:		
Accounts payable and accrued liabilities	208,525	154,411
Salary and welfare payables	13,111	6,840
Taxes payable	4,885	4,751
Contract liabilities	195,507	159,173
Amounts due to related parties	2,586	1,312
Amounts due to Group companies[(a)]	390,742	379,300
Short-term lease liabilities	2,063	2,832
Other current liabilities	22,159	27,588
Non-current liabilities:		
Long-term lease liabilities	85	2,903
Deferred tax liabilities	4,595	—
Other non-current liabilities	3,957	4,650
Total liabilities	**848,215**	**743,760**

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Operations and Principal Activities (Continued)

(b) VIE arrangements between the Company's PRC subsidiaries (Continued)

iii) Risks in relation to VIE structure (Continued)

	For the Year Ended December 31,		
	2023	2024	2025
	RMB	RMB	RMB
Inter-company revenues	485	569	4,674
Third-party revenues	2,445,830	2,296,096	1,888,975
Inter-company cost[(a)]	(804,488)	(721,936)	(701,878)
Third-party cost	(845,458)	(701,990)	(558,886)
Gross Profit	**796,369**	**872,739**	**632,885**
Operating expenses[(a)]	(847,972)	(897,583)	(770,968)
Other income	20,302	26,664	2,266
(Loss)/Income before income tax	**(31,301)**	**1,820**	**(135,817)**
Income tax (expenses)/benefits	(7,070)	6,453	4,525
Net (loss)/income	**(38,371)**	**8,273**	**(131,292)**
Net loss/(income) attributable to noncontrolling interests	1,758	(946)	2,260
Net (loss)/income attributable to the Company	**(36,613)**	**7,327**	**(129,032)**

	For the Year Ended December 31,		
	2023	2024	2025
	RMB	RMB	RMB
Purchases of goods and services from Group companies[(a)]	(878,010)	(696,877)	(626,872)
Other operating activities with Group companies	—	—	4,242
Operating activities with external parties	1,093,734	722,064	768,732
Net cash provided by operating activities	**215,724**	**25,187**	**146,102**
Purchases of short-term investments	(431,000)	(1,202,944)	(2,807,713)
Proceeds of maturities of short-term investments	387,014	1,286,977	2,765,045
Investing activities with Group companies	—	—	6,376
Other investing activities with external parties	(63,862)	11,594	(349)
Net cash (used in)/provided by investing activities	**(107,848)**	**95,627**	**(36,641)**
Capital contribution from shareholders	—	18,342	—
Financing activities with Group companies	—	—	(237,287)
Net cash provided by/(used in) financing activities	**—**	**18,342**	**(237,287)**
Net increase/(decrease) in cash, cash equivalents and restricted cash	107,876	139,156	(127,826)
Cash, cash equivalents and restricted cash at beginning of the year	250,759	358,635	497,791
Cash, cash equivalents and restricted cash at end of the year	**358,635**	**497,791**	**369,965**

(a) The VIEs have incurred RMB857.4 million, RMB670.6 million and RMB686.2 million in fees related to services provided by the WFOEs and WFOEs concurrently recognized the same amounts as revenues for the years ended December 31, 2023, 2024 and 2025, respectively. In 2023, 2024, and 2025, the total amount of such service fees that VIEs paid to the relevant WFOEs under the relevant agreements was RMB834.5 million, RMB695.9 million and RMB595.4 million, respectively. Unsettled balance of such transactions was RMB136.2 million and RMB270.3 million as of December 31, 2024 and 2025, respectively.

In accordance with various contractual agreements, the Company has the power to direct the activities of the VIEs and can have assets transferred out of the VIEs and their subsidiaries. Therefore, the Company considers that there are no assets in the VIEs and their subsidiaries that can be used only to settle obligations of the VIEs and their subsidiaries, except for the registered capital of the VIEs and their subsidiaries amounting to approximately RMB41.6 million and RMB41.5 million as of December 31, 2024 and 2025, respectively. As the VIEs are incorporated as limited liability companies under the PRC Company Law, creditors do not have recourse to the general credit of the Company for the liabilities of the VIEs and their subsidiaries. There is currently no contractual arrangement that would require the Company to provide additional financial support to the VIEs.

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Operations and Principal Activities (Continued)

(c) Liquidity

The Group incurred net losses of RMB839.5 million, RMB169.0 million and RMB195.2 million for the years ended December 31, 2023, 2024 and 2025, respectively. Net cash used in operating activities was RMB415.5 million, RMB280.2 million and RMB363.6 million for the years ended December 31, 2023, 2024 and 2025, respectively. Accumulated deficit was RMB8,877.9 million and RMB9,071.0 million as of December 31, 2024 and 2025, respectively. The Group assesses its liquidity by its ability to generate cash from operating activities and attract investors' investments.

Historically, the Group has relied principally on both operational sources of cash and non-operational sources of financing from investors to fund its operations and business development. The Group's ability to continue as a going concern is dependent on management's ability to successfully execute its business plan, which includes revenues while controlling operating expenses, as well as, generating operational cash flows and continuing to gain support from outside sources of financing. In March 2021, with the completion of its initial public offering on New York Stock Exchange, the Group received net proceeds of RMB4,838.2 million. In April 2021, the underwriters exercised their option to purchase additional American depositary shares ("ADSs") and the Company received net proceeds of RMB15.1 million. Moreover, the Group can adjust the pace of its operation expansion and control the operating expenses. As of December 31, 2024 and 2025, the Group had RMB3,999.2 million and RMB3,369.2 million of cash and cash equivalents, RMB320.1 million and RMB240.0 million of current and non-current term deposits, RMB538.8 million and RMB840.9 million of short-term investments and RMB0.9 million and RMB1.1 million of restricted cash, respectively. As of December 31, 2024 and 2025, the Group had RMB3,960.0 million and RMB3,463.6 million of net current assets respectively. Based on the above considerations, the Group believes the cash and cash equivalents, term deposits and short-term investments are sufficient to meet the cash requirements to fund planned operations and other commitments for at least the next twelve months from the issuance of the consolidated financial statements. The Group's consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liquidation of liabilities in the normal course of business.

2. Significant Accounting Policies

(a) Basis of presentation

The consolidated financial statements of the Group have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Significant accounting policies followed by the Group in the preparation of the accompanying consolidated financial statements are summarized below.

(b) Principles of consolidation

The consolidated financial statements include the financial statements of the Company, its subsidiaries, the VIEs and subsidiaries of the VIEs for which the Company is the primary beneficiary.

Subsidiaries are those entities in which the Company, directly or indirectly, controls more than one half of the voting power, has the power to appoint or remove the majority of the members of the board of directors, or to cast a majority of votes at the meeting of the board of directors, or has the power to govern the financial and operating policies of the investee under a statute or agreement among the shareholders or equity holders.

Consolidated VIEs are entities in which the Company, or its subsidiaries, through contractual arrangements, have the power to direct the activities that most significantly impact the entities' economic performance, bear the risks of and enjoy the rewards normally associated with ownership of the entity. Therefore, the Company has a controlling financial interest in each VIE, is the primary beneficiary of each entity, and consolidates each VIE (and the VIE subsidiaries) under U.S. GAAP (ASC 810).

All transactions and balances among the Company, its subsidiaries, the consolidated VIEs and subsidiaries of the VIEs have been eliminated upon consolidation.

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Significant Accounting Policies (Continued)

(c) Use of estimates

The preparation of the Group's consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the balance sheet date and reported revenues and expenses during the reported periods in the consolidated financial statements and accompanying notes. Significant accounting estimates include but are not limited to the assessment of the allowance for credit losses on trade receivables and goodwill impairment assessment.

(d) Functional currency and foreign currency translation

The Group uses Renminbi ("RMB") as its reporting currency. The functional currency of the Company and its overseas subsidiaries is United States dollars ("US$"). The functional currency of the Group's PRC entities is RMB.

In the consolidated financial statements, the financial information of the Company and other entities located outside of the PRC has been translated into RMB. Assets and liabilities are translated at the exchange rates on the balance sheet date, equity amounts are translated at historical exchange rates, and revenues, expenses, gains and losses are translated using the periodic average exchange rate. Translation adjustments are reported as foreign currency translation adjustments and are shown as a component of other comprehensive income/(loss) in the consolidated statements of operations and comprehensive loss.

Foreign currency transactions denominated in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the applicable exchange rates at the balance sheet dates. Net gains and losses resulting from foreign exchange transactions are included in exchange gains/(losses) in the consolidated statements of operations and comprehensive loss.

(e) Convenience Translation

Translations of balances in the consolidated balance sheets, consolidated statements of operations and comprehensive loss and consolidated statements of cash flows from RMB into US$ as of and for the year ended December 31, 2025 are solely for the convenience of the reader and were calculated at the rate of US$1.00 = RMB6.9931, representing the exchange rate set forth in the H.10 statistical release of the U.S. Federal Reserve Board on December 31, 2025. No representation is made that the RMB amounts represent or could have been, or could be, converted, realized or settled into US$ at that rate on December 31, 2025, or at any other rate.

(f) Fair value measurements

Fair value reflects the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Group considers the principal or most advantageous market in which it would transact and it considers assumptions that market participants would use when pricing the asset or liability.

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Significant Accounting Policies (Continued)

(f) Fair value measurements (Continued)

The Group applies a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Accounting guidance specifies a hierarchy of valuation techniques, which is based on whether the inputs into the valuation techniques are observable or unobservable. The hierarchy is as follows:

- Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 applies to assets or liabilities for which there are inputs other than quoted prices included within Level 1 that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical asset or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.
- Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

Accounting guidance also describes three main approaches to measure the fair value of assets and liabilities: (1) market approach; (2) income approach and (3) cost approach. The market approach uses prices and other relevant information generated from market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to convert future amounts to a single present value amount. The measurement is based on the value indicated by current market expectations about those future amounts. The cost approach is based on the amount that would currently be required to replace an asset.

When available, the Group uses quoted market prices to determine the fair value of an asset or liability. If quoted market prices are not available, the Group will measure fair value using valuation techniques that use, when possible, current market-based or independently sourced market parameters, such as interest rates and currency rates.

Financial assets and liabilities of the Group primarily consist of cash and cash equivalents, restricted cash, term deposits, short-term investments, trade receivables, other receivables, long-term investments, amounts due from/to related parties, accounts payable and accrued liabilities, lease liabilities, and other current liabilities. As of December 31, 2024 and 2025, the carrying values of cash and cash equivalents, restricted cash, term deposits, short-term investments, trade receivables, amounts due from/to related parties, other receivables, accounts payable and accrued liabilities and other current liabilities approximate their respective fair values due to their short-term duration.

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value.

(h) Term deposits

Term deposits are the balances placed with the banks with original maturities over three months. The term deposits are unsecured and carry fixed interest per annum for the years presented. Term deposits with remaining maturities over one year are classified as non-current assets.

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Significant Accounting Policies (Continued)

(i) Short-term investments

Short-term investments mainly include investments in financial instruments with a variable interest rate indexed to performance of underlying assets. In accordance with ASC 825 — "Financial Instruments", the Group elected the fair value method at the date of initial recognition and carried these investments at fair value. Changes in the fair value are reported as investment income in the consolidated statements of operations and comprehensive loss.

(j) Expected credit losses

In 2016, the Financial Accounting Standards Board ("FASB") issued ASC Topic 326, which amends previously issued guidance regarding the impairment of financial instruments by creating an impairment model that is based on expected losses.

The Group's trade receivables, amount due from related parties and other receivables included in prepayments and other current assets and other non-current assets are within the scope of ASC Topic 326. The allowance for expected credit losses was made based on an estimate of the current expected credit losses to be incurred over the expected life of these trade receivables. The Group has identified the relevant risk characteristics of its customers and the related receivables which include size, type of services or products the Group provides, or a combination of these characteristics. Receivables with similar risk characteristics have been grouped into portfolio groups. For each portfolio group, the Group considers the historical default rates and forward-looking information to develop the estimated credit loss rates. Other key factors that influence the expected credit loss analysis include customer demographics, payment terms offered in the normal course of business to customers and industry-specific factors that could impact the Group's receivables. Additionally, external data and macroeconomic factors are also considered. They are assessed at each quarter based on the Group's specific facts and circumstances.

The Group's trade receivables consist primarily of amounts due from advertising agencies and direct advertising customers. The Group recorded a provision for current expected credit loss in the general and administrative expenses in the consolidated statements of operations and comprehensive loss. The balance of gross trade receivables was RMB568.2 million and RMB467.7 million as of December 31, 2024 and 2025, against which an allowance for expected credit losses of RMB147.5 million and RMB109.7 million was made as of December 31, 2024 and 2025.

The following table sets out movements of the allowance for expected credit losses on trade receivables, amount due from related parties and other receivables for the years ended December 31, 2023, 2024 and 2025 (in thousands):

	For the Year Ended December 31,		
	2023	2024	2025
	RMB	RMB	RMB
Beginning balance	94,988	124,856	152,027
Additional/(Reversal of) allowance for credit losses, net of recoveries	29,916	36,734	(26,798)
Write-off	(48)	(9,563)	(10,377)
Ending balance	124,856	152,027	114,852

(k) Property and equipment, net

Property and equipment are stated at cost less accumulated depreciation and impairment, if any. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range as follows:

Electronic equipment	3 years
Office equipment and furniture	3 - 5 years
Leasehold improvement	Shorter of their useful life and the lease term

Expenditures for maintenance and repairs are expensed as incurred. The gain or loss on the disposal of property and equipment is the difference between the net sales proceeds and the carrying amount of the relevant assets and is recognized in the consolidated statements of operations and comprehensive loss.

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Significant Accounting Policies (Continued)

(l) Intangible assets, net

Separately acquired license, software and other intangible assets are shown at historical cost. Intangible assets acquired in a business combination were recognized initially at fair value at the date of acquisition. They have finite useful lives and are subsequently carried at cost less accumulated amortization and impairment losses (if any). The Group amortizes intangible assets with a limited useful life using the straight-line method over the following years:

Licenses	5 years
Software	10 years
Content	5 years
Brand name	10 years
Technology	5 years

(m) Goodwill

Goodwill represents the excess of the purchase consideration over the identifiable tangible and intangible assets acquired and liabilities assumed from the acquired entity in a business combination. Goodwill is not amortized but is tested for impairment on December 31 annually, or more frequently if events or changes in circumstances indicate that it is more likely than not that the fair value of a reporting unit is less than the carrying amount. The Group may assess qualitative factors to determine whether it is necessary to perform a quantitative goodwill impairment test. In the qualitative assessment, the Group considers factors such as macroeconomic conditions, industry and market considerations, overall financial performance of its reporting unit, and other specific information related to the operations, business plans and strategies of the reporting unit. Based on the qualitative assessment, if it is more likely than not that the fair value of a reporting unit is less than the carrying amount, a quantitative impairment test is performed, otherwise, no further testing is necessary. The quantitative impairment test involves comparing the fair value of the reporting unit to its carrying value. If the carrying amount of a reporting unit exceeds its fair value, an impairment loss shall be recognized in an amount equal to that excess. The Group is determined to be one reporting unit for the goodwill impairment testing.

(n) Impairment of long-lived assets other than goodwill

Long-lived assets are evaluated for impairment whenever events or changes in circumstances (such as a significant adverse change to market conditions that will affect the future use of the assets) indicate that the carrying value of an asset may not be fully recoverable or that the useful life is shorter than the Group had originally estimated. When these events occur, the Group evaluates the impairment for the long-lived assets by comparing the carrying value of the assets to an estimate of future undiscounted cash flows expected to be generated from the use of the assets and their eventual disposition. If the sum of the expected future undiscounted cash flows is less than the carrying value of the assets, the Group recognizes an impairment loss based on the excess of the carrying value of the assets over the fair value of the assets. Nil, nil and RMB10.5 million of impairment loss was recognized for the years ended December 31, 2023, 2024 and 2025, respectively.

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Significant Accounting Policies (Continued)

(o) Long-term investments, net

The Company's long-term investments consist of investments in privately held companies. For those equity investments over which the Group does not have significant influence and without readily determinable fair value, the Group records them at cost, less impairment, and plus or minus subsequent adjustments for observable price changes (referred to as the measurement alternative). Under this measurement alternative, changes in the carrying value of the equity investments are required to be made whenever there are observable price changes in orderly transactions for the identical or similar investment of the same issuer. The subsequent adjustments are recorded as investment income in the consolidated statements of operations and comprehensive loss.

Management regularly evaluates the equity investments for impairment based on performance and financial position of the investees as well as other evidence of market value. Such evaluation includes, but not limited to, reviewing the investees' cash position, recent financing, projected and historical financial performance, cash flow forecasts and financing needs. An impairment loss is recognized in the consolidated statements of operations and comprehensive loss equal to the excess of the investment's cost over its fair value at the balance sheet date of the reporting period for which the assessment is made. The fair value would then become the new cost basis of investment.

For the debt investments in privately held companies, the Group elected the fair value option to account for these investments at their initial recognition. The fair value option permits the irrevocable election on an instrument-by-instrument basis at initial recognition or upon an event that gives rise to a new basis of accounting for that instrument. The investments accounted for under the fair value option are carried at fair value with realized or unrealized gains and losses recorded in the consolidated statements of operations and comprehensive loss.

(p) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(q) Leases

In February 2016, FASB issued ASU 2016-02, Leases, which specifies the accounting for leases. Earlier application is permitted for all entities as of February 25, 2016, the issuance date of the final standard. The Group early adopted ASC 842 on January 1, 2018, along with all subsequent ASU clarifications and improvements that are applicable to the Group, to each lease that existed in the years presented in the financial statements, using the modified retrospective transition method and used the commencement date of the leases as the date of initial application. Consequently, financial information and the disclosures required under ASC 842 are provided for dates and years presented in the financial statements. The Group has applied the practical expedient to not recognize short-term leases with lease terms of one year or less.

The Group determines if a contract contains a lease based on whether it has the right to obtain substantially all of the economic benefits from the use of an identified asset which the Group does not own and whether it has the right to direct the use of an identified asset in exchange for consideration. Right-of-use assets represent the Group's right to use an underlying asset for the lease term and lease liabilities represent the Group's obligation to make lease payments arising from the lease. Right-of-use assets are recognized as the amount of the lease liability, adjusted for lease incentives received. Lease liabilities are recognized at the present value of the future lease payments at the lease commencement date. The interest rate used to determine the present value of the future lease payments is the Group's incremental borrowing rate ("IBR"), because the interest rate implicit in most of the Group's leases is not readily determinable. The IBR is a hypothetical rate based on the Group's understanding of what its credit rating would be to borrow and resulting interest the Group would pay to borrow an amount equal to the lease payments in a similar economic environment over the lease term on a collateralized basis. Lease payments may be fixed or variable, however, only fixed payments or in-substance fixed payments are included in the Group's lease liability calculation. Variable lease payments are recognized in operating expenses in the period in which the obligation for those payments is incurred.

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Significant Accounting Policies (Continued)

(r) Revenue recognition

The Group adopted ASC 606 — "Revenue from Contracts with Customers" for all years presented. According to ASC 606, revenue is recognized as the control of the goods or services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time. Control of the goods and services is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods and services transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the goods and services.

Contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates revenue to each performance obligation based on its relative standalone selling price. The Group generally determines standalone selling prices based on the prices charged to customers. If the standalone selling price is not directly observable, it is estimated using expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information. Assumptions and estimations have been made in estimating the relative selling price of each distinct performance obligation, and changes in judgements on these assumptions and estimates may impact the revenue recognition.

Trade receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Group presents the contract liability when the payment is made or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Paid membership services

The Group generates revenue through paid membership services on its community where users pay a membership fee to access premium content library for a fixed time period. The Group is determined to be the primary obligor and accordingly, the Group records revenue on a gross basis, and the revenue sharing to the content providers is recorded as cost of revenues.

The Group offers a membership service which provides subscription members' access right to premium content. Membership periods generally range from one month to twelve months. Membership service represents a stand ready obligation to provide the paid content service and the customer simultaneously receives and consumes the benefits as the Group provide such services throughout the membership period. The receipt of membership fees is initially recorded as contract liabilities and revenue is recognized ratably over the membership period as services are rendered.

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Significant Accounting Policies (Continued)

(r) Revenue recognition (Continued)

Paid membership services (Continued)

Users who are undecided about or otherwise do not need paid memberships can pay retail prices to access the premium content. This on-demand access option supplements the membership programs as an additional revenue stream and provides flexibility to the users. The Group determined that the retail purchase consists of two performance obligations: the content and the hosted connection for content online playback ("online hosting"). The transaction price is allocated between the two performance obligations based on the relative standalone selling price. The purchased content usually has no expiry period unless otherwise stated. As the Group does not have further obligation after making the content available to the user for content performance obligation, the revenue from content performance obligation is recognized at the time of purchase for pre-recorded content and at the time of completion of live streaming for live streaming content.

The online hosting performance obligation is satisfied over the viewing period of the customers. Accordingly, the Group recognizes the revenue over the estimated benefit periods. The revenue derived from retail purchases is not significant for the years ended December 31, 2023, 2024 and 2025.

The Group also provides discount coupons to its customers for use in purchasing online paid contents and treated as a reduction of consideration.

Marketing services

The Group derives its marketing services revenues principally from advertising services and content-commerce solution services.

Advertising revenues are derived principally from advertising contracts with customers where the customers pay to place their advertisements on the Group's community over a particular period of time. Such formats generally include but are not limited to launched screen advertisements, in-app bannered advertisements and feed advertisements.

Content-commerce solution services are online marketing solutions that are seamlessly integrated into our regular content operations. The Group provides content-commerce solutions services to expose the designated content to a more targeted audience.

The Group recognizes marketing services revenue based on the satisfied performance obligations and defers the recognition of revenue for the estimated value of the undelivered elements until the remaining performance obligations have been satisfied. When all of the elements within the arrangement are delivered uniformly over the agreement period, the revenues are recognized on a straight-line basis over the contract period. The primary services and pricing models of marketing services are summarized as below:

Cost-per-mille ("CPM") model

Under the CPM model, the unit price for each display is fixed and stated in the contract with customers or auction-based. The Group charges merchants and brands when the advertisements are displayed. The Group recognizes revenue based on the unit prices and the number of displays upon occurrence of display, provided all revenue recognition criteria have been met.

Cost-by-click ("CPC") model

Under the CPC model, the unit price for each click is auction-based. The Group charges merchants and brands on a per-click basis, when the users click on the advertisements or the designated content. Given that the unit price is determined after bidding, the Group recognizes revenue based on clicks and unit price upon the occurrence of a click, provided all revenue recognition criteria have been met.

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Significant Accounting Policies (Continued)

(r) Revenue recognition (Continued)

Marketing services (Continued)

Cost-per-day ("CPD") model

Under the CPD model, a contract is signed to establish a fixed price for the marketing services to be provided over a period of time. Given the customers benefit from the display of the advertisement or designated content evenly, the Group recognizes revenue on a straight-line basis over the period of display, provided all revenue recognition criteria have been met.

Sales rebate to certain customers

Certain customers may receive sales rebates, which are accounted for as variable considerations. The Group estimates annual expected revenue volumes of each individual customer with reference to their historical results. The sales rebate reduces revenues recognized. The Group recognizes revenue for the amount of fees it receives from its advertisers, after deducting sales rebates and net of value-added tax ("VAT"). The Group believes that there will not be significant changes to its estimates of variable consideration.

Other revenues

The Group's other revenues are primarily generated from the vocational training business, sales of the Group's private label products and book series, and other activities. The Group offers various types of vocational trainings, which cover practical training courses focusing on acquisition of specific skills, professional qualification exam preparation courses, vocational language exam preparation courses, and other vocational training courses. The Group's vocational training courses primarily consist of pre-recorded audio-video courses and live online training courses. Course fees are generally collected in advance and are initially recorded as a contract liability. Revenue is recognized proportionately over the relevant period in which the training courses are delivered. Other revenues are recognized when control of promised goods or services is transferred to the customers, which generally occurs upon the acceptance of the goods or services by the customers. Pursuant to ASC 606-10-55-39, for arrangements where the Group is primarily responsible for fulfilling the promise to provide the goods or services, is subject to inventory risk, and has latitude in establishing prices and selecting suppliers, revenues are recorded on a gross basis. Otherwise, revenues are recorded on a net basis.

Nonmonetary transactions

The Group enters into nonmonetary transactions with certain advertising service providers whereby each party of these transactions would place counter parties' advertisement on their own platform. Revenue from these nonmonetary transactions is recognized when an advertising service is provided as discussed above and the expense related to the advertising activities is recognized over the duration of display. The Group uses the fair value of the goods or services received when measuring the non-cash consideration for advertising service revenue earned. The Group will only measure the non-cash consideration indirectly by reference to the standalone selling price of the goods or services surrendered if the fair value of the goods or services received is not reasonably estimable. The amount of revenue recognized for nonmonetary transactions was not material for the years ended December 31, 2023, 2024 and 2025.

Principal expedients and exemptions

The transaction price allocated to the performance obligations that are unsatisfied, or partially unsatisfied, has not been disclosed, as substantially all of the Group's contracts have a duration of one year or less.

The Group recognizes an asset for the incremental costs of obtaining a contract if those costs are expected to be recoverable. The Group elects to expense certain costs to obtain a contract as incurred when the expected recover period is one year or less.

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Significant Accounting Policies (Continued)

(s) Cost of revenues

Cost of revenues consist primarily of cloud service and bandwidth costs, staff costs including share-based compensation, content and operational cost, payment processing cost, and other direct costs related to the operation of business. These costs are charged to the consolidated statements of operations and comprehensive loss as incurred.

(t) Selling and marketing expenses

Selling and marketing expenses consist primarily of promotion and advertising expenses, staff costs including share-based compensation and other daily expenses which are related to the selling and marketing departments. For the years ended December 31, 2023, 2024 and 2025, advertising expenses were RMB721.9 million, RMB350.4 million and RMB570.3 million, respectively.

(u) General and administrative expenses

General and administrative expenses consist of staff costs including share-based compensation expenses and related expenses for employees involved in general corporate functions, including accounting, finance, tax, legal and human resources and costs associated with these functions such as depreciation of related facilities and equipment, traveling and general expenses, professional service fees and other related expenses.

(v) Research and development expenses

Research and development expenses mainly consist of staff costs including share-based compensation expenses, expenses incurred for new technology and product development and product enhancements, rental expenses incurred associated with research and development departments.

For those websites and platforms of applications, the Group expenses all costs incurred for the preliminary project stage and post implementation-operation stage of development, and costs associated with repair or maintenance of the existing platform. Costs incurred in the application development stage are capitalized and amortized over the estimated useful life. Since the amount of the Group's research and development expenses qualifying for capitalization has been immaterial, as a result, all website and software development costs have been expensed in "research and development expenses" as incurred.

(w) Share-based compensation

Under the 2012 incentive compensation plan (the "2012 incentive plan") and the 2022 incentive plan (the "2022 incentive plan"), collectively the "Zhihu Employee Incentive Plan" or the "Plan", share-based compensation benefits are granted to employees, including share options and restricted shares. The Company accounts for share-based compensation benefits granted to employees in accordance with ASC 718 Stock Compensation. Information relating to the Plan is set out in Note 15.

Prior to the completion of the IPO, the Company used the discounted cash flow method to determine the underlying equity fair value of the Company and adopted an equity allocation model to determine the fair value of the underlying ordinary share. After the completion of the IPO, the Company has used share prices as the fair value of the underlying ordinary share. The determination of estimated fair value of share options on the grant date using binomial option-pricing model is affected by the fair value of the Company's ordinary shares as well as assumptions in relation to a number of complex and subjective variables. These variables include the expected value volatility of the Company over the expected term of the awards, actual and projected employee share option exercise behaviors, a risk-free interest rate and expected dividends, if any. The determination of estimated fair value of restricted shares is based on the fair value of the Company's ordinary shares on the grant date. The market price of the Company's publicly traded ADSs is used as an indicator of fair value for the Company's ordinary shares.

The fair value of share-based compensation benefits granted under the Plan is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the share-based compensation benefits granted.

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Significant Accounting Policies (Continued)

(w) Share-based compensation (Continued)

The total expense is recognized over the vesting period, over which all the specified vesting conditions are to be satisfied, using a graded vesting method. The Group accounts for forfeitures in the period they occur as a reduction to expense.

(x) Employee benefits

PRC Contribution Plan

Full time employees of the Group in the PRC participate in a government mandated defined contribution plan, pursuant to which certain pension benefits, medical care, employee housing fund and other welfare benefits are provided to the employees. Chinese labor regulations require that the PRC subsidiaries and the VIEs of the Group make contributions to the government for these benefits based on certain percentages of the salaries, up to a maximum amount specified by the local government. The Group has no legal obligation for the benefits beyond making the required contributions. The total amounts of such employee benefit expenses, which were expensed as incurred, were approximately RMB236.6 million, RMB202.5 million and RMB155.8 million for the years ended December 31, 2023, 2024 and 2025, respectively. The total balances of such employee benefit including the accrual for estimated amounts were approximately RMB53.2 million and RMB42.5 million as of December 31, 2024 and 2025, respectively.

(y) Taxation

Income taxes

Current income taxes are provided on the basis of income/(loss) for financial reporting purposes, adjusted for income and expense items which are not assessable or deductible for income tax purposes, in accordance with the regulations of the relevant tax jurisdictions. Deferred income taxes are provided using the liability method. Under this method, deferred income taxes are recognized for the tax consequences of temporary differences by applying enacted statutory rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities. The tax basis of an asset or liability is the amount attributed to that asset or liability for tax purposes. The effect on deferred taxes of a change in tax rates is recognized in the consolidated statements of operations and comprehensive loss in the year of change. A valuation allowance is provided to reduce the amount of deferred tax assets if it is considered more likely than not that some portion of, or all of the deferred tax assets will not be realized.

Uncertain tax positions

In order to assess uncertain tax positions, the Group applies a more likely than not threshold and a two-step approach for the tax position measurement and financial statement recognition. Under the two-step approach, the first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon settlement. The Group recognizes interest and penalties, if any, under other current liabilities on its consolidated balance sheet and under other expenses in its consolidated statements of operations and comprehensive loss. The Group did not have any significant unrecognized uncertain tax positions or any unrecognized liabilities, interest or penalties associated with unrecognized tax benefits as of and for the years ended December 31, 2023, 2024 and 2025, respectively.

(z) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or significant influence. Related parties may be individual or corporation entities.

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Significant Accounting Policies (Continued)

(aa) Net loss per share

Net loss per share is computed in accordance with ASC 260, "Earnings per Share". The two-class method is used for computing earnings per share in the event the Group has net income available for distribution. Under the two-class method, net income is allocated between ordinary shares and other participating securities based on their participating rights. Class A ordinary share and Class B ordinary share have the same rights in dividend. Therefore, basic and diluted loss per share are the same for both classes of ordinary shares. Net losses are not allocated to other participating securities as they are not obligated to share the losses based on their contractual terms.

Basic net loss per share is computed by dividing net loss attributable to ordinary shareholders, by the weighted average number of ordinary shares outstanding during the year, adjusted for treasury stock. Diluted net loss per share is calculated by dividing net loss attributable to ordinary shareholders, as adjusted for the effect of dilutive ordinary equivalent shares, if any, by the weighted average number of ordinary and dilutive ordinary equivalent shares outstanding during the years. Ordinary equivalent shares are calculated using as if converted method or the treasury stock method. Ordinary equivalent shares are not included in the denominator of the diluted net loss per share calculation when inclusion of such share would be anti-dilutive.

(ab) Statutory reserves

In accordance with China's Company Laws, the Company's VIEs in PRC must make appropriations from their after-tax profit (as determined under the accounting principles generally acceptable in the People's Republic of China ("PRC GAAP")), after offsetting accumulated losses from prior years to non-distributable reserve funds including (i) statutory surplus fund and (ii) discretionary surplus fund. The appropriation to the statutory surplus fund must be at least 10% of the after-tax profits calculated in accordance with PRC GAAP. Appropriation is not required if the statutory surplus fund has reached 50% of the registered capital of the respective company. Appropriation to the discretionary surplus fund is made at the discretion of the respective company.

Pursuant to the laws applicable to China's Foreign Investment Enterprises, the Company's subsidiary that is a foreign investment enterprise in China has to make appropriations from their after-tax profit (as determined under PRC GAAP), after offsetting accumulated losses from prior years to reserve funds including (i) general reserve fund, (ii) enterprise expansion fund and (iii) staff bonus and welfare fund. The appropriation to the general reserve fund must be at least 10% of the after-tax profits calculated in accordance with PRC GAAP. Appropriation is not required if the general reserve fund has reached 50% of the registered capital of the respective company. Appropriations to the other two reserve funds are at the respective companies' discretion.

The use of general reserve fund, enterprise expansion fund, statutory surplus fund and discretionary surplus fund are restricted to the offsetting of losses or increasing of the registered capital of the respective company.

The Group made RMB2.7 million, nil and RMB0.3 million appropriations to its statutory reserve fund for the years ended December 31, 2023, 2024 and 2025, respectively. Due to the disposal of a subsidiary, the appropriations to its statutory reverse fund decreased by RMB2.2 million for the year ended December 31, 2024.

(ac) Business combination and noncontrolling interests

The Group accounts for its business combinations using the acquisition method of accounting in accordance with ASC 805, Business Combinations. Transaction costs directly attributable to the acquisition are expensed as incurred. Identifiable assets and liabilities acquired or assumed are measured separately at their fair values as of the acquisition date, irrespective of the extent of any noncontrolling interests. The excess of (i) the total costs of acquisition, fair value of the noncontrolling interests and acquisition date fair value of any previously held equity interest in the acquiree over (ii) the fair value of the identifiable net assets of the acquiree is recorded as goodwill. During the measurement period, which can be up to one year from the acquisition date, the Group may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded as gain or loss on the consolidated statements of operations and comprehensive loss.

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Significant Accounting Policies (Continued)

(ac) Business combination and noncontrolling interests (Continued)

In a business combination achieved in stages, the Group re-measures the previously held equity interests in the acquiree when obtaining control at its acquisition date fair value and the re-measurement gain or loss, if any, is recognized in the consolidated statements of operations and comprehensive loss.

For the Company's majority-owned subsidiaries and consolidated VIEs, noncontrolling interests are recognized to reflect the portion of the equity, which is not attributable, directly or indirectly, to the Company as the controlling shareholder. Noncontrolling interests acquired through a business combination are recognized at fair value at the acquisition date, which is estimated with reference to the purchase price per share as of the acquisition date.

(ad) Comprehensive (loss)/income

Comprehensive (loss)/income is defined to include all changes in equity of the Group during a year arising from transactions and other events and circumstances excluding transactions resulting from investments by shareholders and distributions to shareholders. Other accumulated comprehensive (loss)/income, as presented on the consolidated balance sheets, consists of accumulated foreign currency translation adjustments.

(ae) Treasury stock

The Company accounted for those shares repurchased as treasury stock at cost in accordance with ASC 505-30, Treasury Stock, and is shown separately in the shareholders' equity as the Company has not yet decided on the ultimate disposition of those shares acquired. At retirement of the treasury shares, the ordinary shares account is charged only for the aggregate par value of the shares. The excess of the acquisition cost of treasury shares over the aggregate par value is allocated between additional paid-in capital and retained earnings. Refer to Note 17 for details.

(af) Segment reporting

Operating segments are defined as components of an enterprise engaging in business activities for which separate financial information is available that is regularly evaluated by the Group's chief operating decision makers ("CODM"). Based on the criteria established by ASC 280 "Segment Reporting", the Group's CODM has been identified as the Chief Executive Officer.

The Group's CODM regularly reviews entity-wide operating results and reviews consolidated revenues and net income/(loss) when making decisions about allocating resources and assessing performance of the Group as a whole, and hence, the Group has only one reportable segment. The Group does not distinguish between markets or segments for the purpose of internal reporting. The Group's long-lived assets are substantially all located in the PRC and substantially all the Group's revenues are derived from within the PRC, therefore, no geographical segments are presented.

The Group's CODM does not review any information regarding total assets on a reportable segment basis. For the operating results of segment provided to and reviewed by the Group's CODM, please refer to the consolidated statements of operations and comprehensive loss.

(ag) Recently adopted accounting pronouncements

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. ASU No. 2023-09 requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as additional information on income taxes paid. The guidance is effective for annual periods beginning after December 15, 2024 on a prospective basis. Early adoption is permitted. The Group has adopted the guidance beginning January 1, 2025.

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. Significant Accounting Policies (Continued)

(ah) Recently issued accounting pronouncements not yet adopted

In November 2024, the FASB issued ASU No. 2024-03, Income Statement (Topic 220): Reporting Comprehensive Income -Expense Disaggregation Disclosures (Subtopic 220-40). ASU No. 2024-03 requires publicly-traded business entities to disclose specified information about the components of certain costs and expenses that are currently disclosed in the financial statements. The guidance is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The Group does not expect to adopt ASU No. 2024-03 early and is currently evaluating the impact of adopting this standard on its consolidated financial statements.

In July 2025, the FASB issued ASU No. 2025-05, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. ASU No. 2025-05 provides all entities with a practical expedient and entities other than public business entities with an accounting policy election when estimating expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under Topic 606. The guidance is effective for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. Early adoption is permitted. The Group does not expect to adopt ASU No. 2025-05 early and is currently evaluating the impact of adopting this standard on its consolidated financial statements.

In September 2025, the FASB issued ASU No. 2025-06, Intangibles Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software. ASU No. 2025-06 modernizes the accounting for internal-use software costs and enhances disclosure requirements. The guidance is effective for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted. The Group does not expect to adopt ASU No. 2025-06 early and is currently evaluating the impact of adopting this standard on its consolidated financial statements.

In December 2025, the FASB issued ASU No. 2025-10, Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities. ASU No. 2025-10 establishes guidance on the recognition, measurement, and presentation of government grants received by business entities. The guidance is effective for annual reporting periods beginning after December 15, 2028, and interim reporting periods within those annual reporting periods. Early adoption is permitted. The Group does not expect to adopt ASU No. 2025-10 early and is currently evaluating the impact of adopting this standard on its consolidated financial statements.

3. Concentrations and Risks

(a) Foreign currency exchange rate risk

The Group's exposure to foreign currency exchange rate risk primarily relates to cash and cash equivalents, and short-term investments in the U.S. dollars. The appreciation of the RMB against the US$ was approximately 2% in 2021 and 2025. The depreciation of the RMB against the US$ was approximately 9%, 2% and 1% in 2022, 2023 and 2024, respectively. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the RMB and the US$ in the future.

(b) Credit and concentration risk

Financial instruments that potentially subject the Group to significant concentrations of credit risk consist primarily of cash and cash equivalents, current and non-current term deposits, restricted cash, trade receivables, other receivables and short-term investments. The carrying amounts of these financial instruments represent the maximum amount of loss due to credit risk.

As of December 31, 2024 and 2025, substantially all of the Group's cash and cash equivalents, current and non-current term deposits, restricted cash and short-term investments were held in state-owned or reputable financial institutions in the PRC and reputable international financial institutions outside of the PRC.

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Concentrations and Risks (Continued)

(b) Credit and concentration risk (Continued)

Trade receivables are typically unsecured and are generally derived from customers. No customer represented greater than 10% of the Group's total revenues for the years ended December 31, 2023, 2024 and 2025. Two customers accounted for greater than 10% of the Group's trade receivables as of December 31, 2024 and 2025.

No supplier represented greater than 10% of the Group's total purchases for the years ended December 31, 2023, 2024 and 2025. No supplier accounted for greater than 10% of the Group's accounts payable as of December 31, 2024 and 2025.

(c) Currency convertibility risk

The PRC government imposes controls on the convertibility of RMB into foreign currencies. The Group's cash and cash equivalents, term deposits, short-term investments and restricted cash denominated in RMB that are subject to such government controls amounted to RMB2,807.9 million and RMB2,363.8 million as of December 31, 2024 and 2025, respectively. The value of RMB is subject to changes in the central government policies and to international economic and political developments affecting supply and demand in the PRC foreign exchange trading system market. In the PRC, certain foreign exchange transactions are required by law to be transacted only by authorized financial institutions at exchange rates set by the People's Bank of China (the "PBOC"). Remittances in currencies other than RMB by the Group in the PRC must be processed through PBOC or other Chinese foreign exchange regulatory bodies which require certain supporting documentation in order to process the remittance.

4. Prepayments and Other Current Assets

The following is a summary of prepayments and other current assets (in thousands):

	As of December 31,	
	2024	2025
	RMB	RMB
Deductible input value-added tax	4,994	14,750
Prepayment for promotion and advertising expenses and other operation expenses	37,019	17,642
Other receivables related to exercise of share options and vesting of restricted shares	5,332	7,917
Prepaid content costs	32,764	14,510
Interest income receivables	23,624	5,977
Rental and other deposits	22,666	9,501
Inventories	30,957	26,145
Others	6,090	10,823
Total	163,446	107,265

5. Short-term Investments

As of December 31, 2024 and 2025, the Group's short-term investments consisted of wealth management products and structured deposits, which contain a variable interest rate. The following is a summary of short-term investments (in thousands):

	As of December 31,	
	2024	2025
	RMB	RMB
Structured deposits	2,000	—
Wealth management products	536,816	840,938
Total	538,816	840,938

During the years ended December 31, 2023, 2024 and 2025, the Group recorded investment income related to short-term investments of RMB41.7 million, RMB60.5 million and RMB72.7 million in the consolidated statements of operations and comprehensive loss, respectively.

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. Property and equipment, net

The following is a summary of property and equipment, net (in thousands):

	As of December 31,	
	2024	2025
	RMB	RMB
Electronic equipment	17,363	16,386
Office equipment and furniture	6,706	6,925
Leasehold improvements	21,471	22,124
Total	45,540	45,435
Less: Accumulated depreciation	(37,050)	(40,086)
Net book value	8,490	5,349

Depreciation expenses were RMB4.8 million, RMB4.8 million and RMB4.4 million for the years ended December 31, 2023, 2024 and 2025, respectively.

7. Intangible assets, net

The following is a summary of intangible assets, net (in thousands):

	As of December 31, 2024			
	Gross carrying value	Accumulated amortization	Accumulated impairment	Net carrying value
	RMB	RMB	RMB	RMB
Software	6,516	(2,429)	—	4,087
License	54,905	(54,905)	—	—
Content	38,300	(25,223)	—	13,077
Brand name	48,000	(13,817)	—	34,183
Technology	7,500	(4,313)	—	3,187
Others	9	(9)	—	—
Total	155,230	(100,696)	—	54,534

	As of December 31, 2025			
	Gross carrying value	Accumulated amortization	Accumulated impairment	Net carrying value
	RMB	RMB	RMB	RMB
Software	6,654	(3,093)	—	3,561
License	54,905	(54,905)	—	—
Content	38,300	(32,883)	(3,150)	2,267
Brand name	48,000	(18,617)	(7,150)	22,233
Technology	7,500	(5,813)	(160)	1,527
Others	9	(9)	—	—
Total	155,368	(115,320)	(10,460)	29,588

Amortization expenses were RMB20.1 million, RMB17.1 million and RMB14.6 million for the years ended December 31, 2023, 2024 and 2025, respectively. No impairment losses were recognized for the years ended December 31, 2023 and 2024. For the year ended December 31, 2025, the Group recognized impairment loss of RMB10.5 million for the intangible assets identified from acquisitions. The impairment was primarily due to a reduction in future cash flow projections for an asset group related to the Group's vocational training business.

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Intangible assets, net (Continued)

As of December 31, 2025, estimated amortization expense for intangible assets subject to amortization is as follows (in thousands):

	RMB
2026	6,584
2027	5,538
2028	4,107
2029	3,859
2030	3,846
Thereafter	5,654
Total	29,588

8. Goodwill

The following is a summary of changes in the carrying amount of goodwill (in thousands):

	For the Year Ended December 31,	
	2024	2025
	RMB	RMB
Balance at the beginning of the year	191,077	126,344
Disposal of a subsidiary	(64,733)	—
Impairment	—	(126,344)
Balance at the end of the year	126,344	—

As of December 31, 2023, and 2024, due to the changing market conditions and fluctuations in the Group's share price, the Group performed quantitative impairment tests. A third-party valuation firm was engaged to help the management determine the fair value of the reporting unit by applying a discounted cash flow model. The judgment in estimating the fair value of the reporting unit includes revenue growth rates, profit margins, discount rate and other assumptions. In order to assess the impact of changes in certain significant assumptions, which could materially affect the determination of the fair value of the reporting unit, the Group performed sensitivity analyses by decreasing the revenue growth rates, profit margins and increasing the discount rate. The analyses still resulted in the fair value of the reporting unit exceeding its carrying value as of December 31, 2023 and 2024. The Group further reconciled the estimated fair value of the reporting unit to its market capitalization and determined that the reporting unit's carrying value would still be lower after a reasonable control premium is applied to the market capitalization. Based on the quantitative impairment tests, management determined the estimated fair value of the reporting unit exceeded its carrying value and no impairment loss was recorded for the years ended December 31, 2023 and 2024.

As of December 31, 2025, considering the Company's market capitalization is consistently lower than carrying amount of its net assets amid current market conditions, a quantitative impairment test was conducted by comparing the fair value of the reporting unit to its carrying amount, including goodwill. Based on the quantitative impairment test, management determined that the carrying value of the reporting unit exceeded its estimated fair value and, therefore, recorded a full impairment loss of RMB126.3 million on the goodwill. The impairment was primarily driven by updated forecasts that reflect the current market conditions. The fair value of the reporting unit is estimated using a discounted cash flow model.

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Long-term investments, net

The Group's long-term investments primarily consist of equity investments without readily determinable fair value and debt investments accounted for at fair value (Note 2(o)). The following table sets forth a breakdown of the categories of long-term investments (in thousands):

	As of December 31,	
	2024	2025
	RMB	RMB
Equity investments accounted for using the measurement alternative	51,176	140,959
Debt investments accounted for at fair value	—	17,521
Total	51,176	158,480

The following table summarizes the changes in the Group's equity investments accounted for using the measurement alternative for the years ended December 31, 2024 and 2025 (in thousands):

	For the Year Ended December 31,	
	2024	2025
	RMB	RMB
Balance at the beginning of the year	44,621	51,176
Additions	6,555	—
Disposals	—	(52,773)
Fair value re-measurement	—	142,556
Balance at the end of the year	51,176	140,959

During the year ended December 31, 2025, the Group identified an observable price change in the disposals of certain portion of its investments in a privately held company, which were deemed as orderly transactions for the identical or similar investment of the same issuer. Accordingly, the remaining investments held by the Group in that privately held company were re-measured at fair value as of the date that the observable transaction occurred. The Group recognized RMB101.4 million unrealized gains as a result of re-measuring the fair value, which is reported as investment income in the consolidated statements of operations and comprehensive loss.

10. Lease

The Group's leasing activities primarily consist of operating leases for offices. The Group adopted ASC 842 effective January 1, 2018. ASC 842 requires lessees to recognize right-of-use assets and lease liabilities on the balance sheet. The Group has applied the available practical expedient to not recognize short-term leases with lease terms of one year or less on the consolidated balance sheets.

As of December 31, 2024 and 2025, the Group recorded right-of-use assets of approximately RMB7.2 million and RMB42.1 million and lease liabilities of approximately RMB19.1 million and RMB37.0 million, respectively, for operating leases as a leasee. Supplemental cash flow information related to operating leases was as follows (in thousands):

	For the Year Ended December 31,	
	2024	2025
	RMB	RMB
Cash payments for operating leases	29,962	31,866
Right-of-use assets obtained in exchange for operating lease liabilities	3,735	74,582

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. Lease (Continued)

Future lease payments under operating leases as of December 31, 2025 were as follows (in thousands):

	RMB
2026	22,704
2027	15,215
2028	765
Total future lease payments	38,684
Less: imputed interest	(1,710)
Total lease liabilities	36,974

The weighted-average remaining lease term was 0.57 years and 1.99 years as of December 31, 2024 and 2025, respectively.

The weighted-average discount rate used to determine the operating lease liability as of December 31, 2024 and 2025 was 4.75% and 4.75%, respectively.

Operating lease expenses for the years ended December 31, 2023, 2024 and 2025 were RMB58.4million, RMB35.4 million and RMB27.2 million, respectively, which excluded expenses of short-term contracts. Short-term lease expenses for the years ended December 31, 2023, 2024 and 2025 were RMB5.8 million, RMB6.9 million and RMB2.7 million, respectively.

The right-of-use assets early terminated for the years ended December 31, 2023, 2024 and 2025 were RMB32.5 million, RMB2.3 million and RMB15.7 million, respectively. The lease liabilities early terminated for the years ended December 31, 2023, 2024 and 2025 were RMB32.4 million, RMB1.7 million and RMB15.6 million, respectively.

11. Taxation

(a) Value-added tax (“VAT”)

The Group’s subsidiaries, consolidated VIEs and VIEs’ subsidiaries incorporated in China are subject to statutory VAT rate of 6% for services rendered and 9% or 13% for goods sold.

(b) Income taxes

Composition of income tax

The income tax expenses/(benefits) for the years ended December 31, 2023, 2024 and 2025 are as follows (in thousands):

	For the Year Ended December 31,		
	2023	2024	2025
	RMB	RMB	RMB
Current income tax expenses/(benefits)	15,638	(6,366)	1,343
Deferred income tax (benefits)/expenses	(3,806)	(3,025)	20,344
Total	11,832	(9,391)	21,687

Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gain. Additionally, upon payments of dividends by the Company in the Cayman Islands to their shareholders, no Cayman Islands withholding tax will be imposed.

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. Taxation (Continued)

(b) Income taxes (Continued)

Hong Kong

Under the current Hong Kong Inland Revenue Ordinance, from the year of assessment 2018/2019 onwards, the subsidiaries in Hong Kong are subject to profits tax at the rate of 8.25% on assessable profits up to HK$2 million, and 16.5% on any part of assessable profits over HK$2 million. The payments of dividends by these companies to their shareholders are not subject to any Hong Kong withholding tax.

China

Under PRC Enterprise Income Tax ("EIT") Law, foreign-invested enterprises ("FIEs") and domestic companies are subject to a unified EIT rate of 25%. Preferential tax treatments will continue to be granted to FIEs or domestic companies which conduct businesses in certain encouraged sectors and to otherwise classified as "Software Enterprises", "Key Software Enterprises" and/or "High and New Technology Enterprises" ("HNTEs").

The aforementioned preferential tax rates are subject to annual review by the relevant tax authorities in China. Two, three and three subsidiaries of the Company were accredited as HNTEs and were entitled to a preferential income tax rate at 15% for the years ended December 31, 2023, 2024 and 2025, respectively. All other major PRC incorporated entities of the Group were subject to a 25% income tax rate for all the years presented.

In accordance with PRC Tax Administration Law on the Levying and Collection of Taxes, the PRC tax authorities generally have up to five years to claw back underpaid tax plus penalties and interest for PRC entities' tax filings. The tax years ended December 31, 2021 through 2025 for the Company's PRC subsidiaries and VIEs remain subject to examination by the PRC tax authorities. In the case of tax evasion, which is not clearly defined in the law, there is no limitation on the tax years open for investigation.

The Company may also be subject to the examination of the tax filings in other jurisdictions, which are not material to the consolidated financial statements.

There were no ongoing examinations by tax authorities as of December 31, 2025.

The following table presents a reconciliation of the income tax expenses/(benefits) computed by the statutory income tax rate to the Group's income tax expenses/(benefits) of the years presented are as follows (in thousands):

	For the Year Ended December 31,	
	2023	2024
	RMB	RMB
Income tax computed at statutory EIT rate (25%)	(206,902)	(48,003)
Permanent differences [1]	(96,793)	(92,205)
Effect of different tax jurisdictions	(20,216)	(23,568)
Effect of preferential tax rate	98,329	27,031
Change in deferred tax assets valuation allowance	237,414	127,354
Income tax expenses/(benefits)	11,832	(9,391)

(1) The permanent differences mainly consist of additional deduction for research and development expenditures and non-deductible expenses.

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. Taxation (Continued)

(b) Income taxes (Continued)

In accordance with the updated requirements of ASU No. 2023-09 for the year ended December 31, 2025, a reconciliation between the statutory rate and the Group's effective tax rate is as follows (in thousands, except percentages):

	For the Year Ended December 31, 2025	
	RMB	Percent
PRC Statutory Tax Rate:	(43,368)	25.0 %
Foreign Tax Effects	(20,185)	11.7 %
Cayman Islands	(6,733)	3.9 %
Statutory tax rate difference between Cayman Islands and PRC	(6,733)	3.9 %
Hong Kong	(15,748)	9.1 %
Statutory tax rate difference between Hong Kong and PRC	(5,223)	3.0 %
Non-taxable income	(10,525)	6.1 %
Other foreign jurisdictions	2,296	(1.3)%
Changes in Valuation Allowances	24,748	(14.3)%
Nontaxable or Nondeductible Items	60,492	(34.9)%
Research and development credits	(14,231)	8.2 %
Tax holidays	31,734	(18.3)%
Share-based payment awards	15,440	(8.9)%
Goodwill impairment	27,020	(15.6)%
Other	529	(0.3)%
Effective Tax Rate	21,687	(12.5)%

The following table sets forth the effect of preferential tax rate on the PRC operations (in thousands except per share data):

	For the Year Ended December 31,		
	2023	2024	2025
	RMB	RMB	RMB
Tax holiday effect	98,329	27,031	31,734
Basic and diluted net loss per share effect	0.33	0.10	0.13

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. Taxation (Continued)

(c) Deferred tax assets and liabilities

The following table presents the tax impact of significant temporary differences that give rise to the deferred tax assets and liabilities as of the years presented (in thousands):

	As of December 31,	
	2024	2025
	RMB	RMB
Deferred tax assets:		
Net operating tax loss carry forwards	841,217	838,277
Advertising and promotion expenses in excess of deduction limit	272,138	299,261
Provision of allowance for expected credit losses	37,896	28,629
Payroll and expense accrued	6,737	5,380
Less: valuation allowance	(1,157,988)	(1,171,547)
Total deferred tax assets, net	—	—
Deferred tax liabilities:		
Acquired intangible assets	6,830	1,815
Unrealized fair value gains for long-term investments	—	25,359
Total deferred tax liabilities	6,830	27,174

The following table sets forth the movement of the valuation allowances for deferred tax assets for the years presented (in thousands):

	2024	2025
	RMB	RMB
Deferred tax assets:		
Balance as of January 1,	(1,030,634)	(1,157,988)
Change of valuation allowance	(127,354)	(13,559)
Balance as of December 31,	(1,157,988)	(1,171,547)

The tax losses of the Group expire over different time intervals depending on local jurisdiction. Certain entity's expiration year for tax losses has been extended from five years to ten years due to new tax legislation released in 2018. As of December 31, 2025, certain entities in mainland China of the Group had net operating tax loss carry forwards, if not utilized, which would expire as follows (in thousands):

	RMB
Loss expiring in 2026	175,107
Loss expiring in 2027	200,571
Loss expiring in 2028	437,989
Loss expiring after 2028	4,444,316
Total	5,257,983

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. Taxation (Continued)

(d) Withholding income tax

The EIT Law also imposes a withholding income tax of 10% on dividends distributed by a foreign invested entity ("FIE") to its immediate holding company outside of China, if such immediate holding company is considered as a non-resident enterprise without any establishment or place within China or if the received dividends have no connection with the establishment or place of such immediate holding company within China, unless such immediate holding company's jurisdiction of incorporation has a tax treaty with China that provides for a different withholding arrangement. The Cayman Islands, where the Company incorporated, does not have such tax treaty with China.

According to the arrangement between Mainland China and Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of Fiscal Evasion in August 2006, dividends paid by a FIE in China to its immediate holding company in Hong Kong will be subject to withholding tax at a rate that may be lowered to 5% (if the foreign investor owns directly at least 25% of the shares of the FIE). The State Administration of Taxation ("SAT") further promulgated Circular 601 on October 27, 2009, which provides that tax treaty benefits will be denied to "conduit" or shell companies without business substance and that a beneficial ownership analysis will be used based on a "substance-over-form" principle to determine whether or not to grant the tax treaty benefits.

To the extent that subsidiaries and VIEs and the subsidiaries of VIEs of the Group have undistributed earnings, the Company will accrue appropriate expected tax associated with repatriation of such undistributed earnings. As of December 31, 2023, 2024 and 2025, the Company did not record any withholding tax on the retained earnings of its subsidiaries and VIEs in the PRC, as there were no distributable earnings that could be paid outside of the PRC.

12. Other Current Liabilities

The following is a summary of other current liabilities as of December 31, 2024 and 2025 (in thousands):

	As of December 31,	
	2024	2025
	RMB	RMB
Payable of deposits	18,621	19,889
Accrued VAT tax payable	43,544	30,079
Payable to the users	22,665	24,212
Payable of employee benefits	8,326	5,968
Reimbursement from the depositary bank	28,754	28,115
Others	10,045	15,970
Total	131,955	124,233

13. Contract Liabilities

Contract liabilities primarily relate to the payments received for marketing services, paid membership service and vocational training in advance of revenue recognition. Due to the generally short-term duration of the relevant contracts, the majority of the performance obligations are satisfied within one year. The amount of revenue recognized that was included in the contract liabilities balance at the beginning of the year was RMB319.3 million, RMB279.9 million and RMB216.0 million for the years ended December 31, 2023, 2024 and 2025, respectively.

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. Ordinary Shares

The Company was incorporated on May 17, 2011 with an authorized share capital of US$50,000 divided into 50,000 ordinary shares of US$1 each, of which 10 ordinary shares had been issued. Zhihu Holdings Inc. and Innovation Works Holdings Limited, companies organized under the laws of the British Virgin Islands, held 80% and 20% of total equities of the Company, respectively.

After several issuances, share splits and repurchases of certain shares held by investors prior to 2019, the Company had 58,808,070 of ordinary shares issued and outstanding as of December 31, 2018.

In March 2021, the Company completed the IPO. Immediately prior to the completion of the IPO, the Company's authorized share capital was changed into US$200,000 divided into 1,600,000,000 shares comprising (i) 1,500,000,000 Class A ordinary shares of a par value of US$0.000125 each, (ii)50,000,000 Class B ordinary shares of a par value of US$0.000125 each, and (iii) 50,000,000 shares of a par value of US$0.000125 each of such class or classes (however designated) as the board of directors may determine in accordance with the Company's post-offering memorandum and articles of association. Immediately prior to the completion of the IPO, all of the Company's issued and outstanding preferred shares and ordinary shares were converted into, and re-designated and re-classified, as Class A ordinary shares on a one-for-one basis, except that the 19,227,592 shares beneficially owned by Mr. Yuan Zhou continue to be Class B ordinary shares.

During the IPO, the Company sold a total of 55,000,000 ADSs, with two ADSs representing one Class A ordinary share of the Company with par value of US$0.000125 per share. In addition, the Company sold and issued 13,157,892 Class A ordinary shares in the concurrent private placements to certain investors based on the IPO price of US$9.50 per ADS. The Company received a total of approximately US$737.1 million (RMB4.8 billion) of net proceeds after deducting the underwriter commissions and relevant offering expenses.

In April 2021, the underwriters exercised their option to purchase 259,904 additional ADSs and the Company received a total of approximately US$2.3 million (RMB15.1 million) of net proceeds after deducting the underwriter commissions.

In June 2022, 50,000,000 shares were designated as Class A ordinary shares of a par value of US$0.000125 each. As a result, the Company had 1,600,000,000 authorized shares in total, comprising (i) 1,550,000,000 Class A ordinary shares of a par value of US$0.000125 each, (ii) 50,000,000 Class B ordinary shares of a par value of US$0.000125 each.

On May 10, 2024, the Company effected a change in the ratio of our ADSs to Class A ordinary shares from two ADSs representing one Class A ordinary share to a new ratio of one ADS representing three Class A ordinary shares.

15. Share-based Compensation

In June 2012, the Company established 2012 Incentive Plan, which permits the grant of options, and restricted shares of the Company to relevant directors, officers and other employees of the Company and its affiliates. In June 2022, the maximum number of shares that may be issued under the 2012 incentive compensation plan was 44,021,165 Class A ordinary shares.

In June 2022, the Company established 2022 Incentive Plan, which permits the grant of options, and restricted shares of the Company to relevant directors, officers, employees and consultants of the Company and its affiliates. The maximum number of shares that may be issued under the 2022 Incentive Plan is the sum of (i) the maximum of 13,042,731 shares which may be issued pursuant to awards in the form of options, and (ii) the maximum of 26,085,463 shares and such number of shares equivalent to the unused portion of the 2012 Incentive Plan as at the expiry of such plan, which may be issued pursuant to awards in the form of restricted shares.

Under the 2012 Incentive Plan, during 2012 and 2013, options or restricted shares granted are subject to both service conditions and the occurrence of an initial public offering ("IPO") as a performance condition, which are measured at the grant date fair value.

After 2013, participants are granted options or restricted shares which only vest if certain service conditions are met. Participation in the 2012 Incentive Plan is at the board's discretion, and no individual has a contractual right to participate in the 2012 Incentive Plan or to receive any guaranteed benefits. Options issued under the 2012 Incentive Plan are valid and effective for 10 years from the grant date.

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

15. Share-based Compensation (Continued)

Majority of the share options shall be subject to different vesting schedules of three, three and a half or four years from the vesting commencement date, subject to the participant continuing to be an employee through each vesting date. For vesting schedule of three years, 25% of the granted share options are vested on the vesting commencement date; and 75% of the granted shares options are vested in equal monthly installments over the following thirty six (36) months. For vesting schedule of three and a half years, 25% of the granted share options are vested on the 6-month anniversary of the vesting commencement date; and 75% of the granted shares options are vested in equal monthly installments over the following thirty six (36) months. For vesting schedule of four years, 25% of the granted share options are vested on the first anniversary from the vesting commencement date; and 75% of the granted shares options are vested in equal monthly installments over the following thirty six (36) months or vested in equal yearly installments over the following three years. Majority of the restricted shares shall be vested in equal yearly installments over the four years from the vesting commencement date.

Employees' share-based compensation awards are measured at the grant date fair value of the awards and recognized as expenses (a) for share options granted with only service conditions, using the graded vesting method, net of actual forfeitures, over the vesting period; or (b) for share options granted with service conditions and performance condition, the share-based compensation expenses are recorded when the performance condition is considered probable using the graded vesting method. Where the occurrence of an IPO is a performance condition, cumulative share-based compensation expenses for the options that have satisfied the service condition should be recorded upon the completion of the IPO.

Share options activities

The following table presents a summary of the Company's options activities for the years ended December 31, 2023, 2024 and 2025:

	Number of Options (in thousands)	Weighted Average Exercise Price US$	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value (US$ in thousands)
Outstanding as of January 1, 2023	6,038	2.68	6.08	6,838
Granted	—	—		
Exercised	(1,888)	0.37		
Forfeited	(314)	1.37		
Outstanding as of December 31, 2023	3,836	3.88	5.44	992
Outstanding as of January 1, 2024	3,836	3.88	5.44	992
Granted	—	—		
Exercised	(365)	0.02		
Forfeited	(47)	1.76		
Outstanding as of December 31, 2024	3,424	4.32	4.29	141
Outstanding as of January 1, 2025	3,424	4.32	4.29	141
Granted	—	—		
Exercised	(39)	0.83		
Forfeited	—	—		
Outstanding as of December 31, 2025	3,385	4.36	3.32	117
Exercisable as of December 31, 2025	3,385	4.36	3.32	117

No options were granted for the years ended December 31, 2023, 2024 and 2025. The total intrinsic value of share options exercised was US$4.1 million, US$0.5 million and US$0.02 million for the years ended December 31, 2023, 2024 and 2025, respectively.

15. Share-based Compensation (Continued)

Restricted shares activities

The following table presents a summary of the Company's restricted shares activities for the years ended December 31, 2023, 2024 and 2025:

	Number of Restricted Shares (in thousands)	Weighted Average Grant Date Fair Value US$
Unvested as of January 1, 2023	19,316	4.75
Granted	11,747	2.55
Vested	(3,012)	4.46
Forfeited	(5,513)	3.66
Unvested as of December 31, 2023	22,538	3.91
Unvested as of January 1, 2024	22,538	3.91
Granted	10,580	1.40
Vested	(3,604)	3.02
Forfeited	(6,531)	2.79
Unvested as of December 31, 2024	22,983	3.21
Unvested as of January 1, 2025	22,983	3.21
Granted	11,791	1.52
Vested	(4,534)	2.17
Forfeited	(6,745)	1.74
Unvested as of December 31, 2025	23,495	2.99

As of December 31, 2025, the weighted average remaining contractual life of outstanding restricted shares is 7.97 years.

Valuation

Prior to the completion of the IPO, the Company used the discounted cash flow method to determine the underlying equity fair value of the Company and adopted the equity allocation model to determine the fair value of each underlying ordinary share. Key assumptions, such as discount rate and projections of future performance, are required to be determined, on a best estimate basis, by the Company.

After the completion of the IPO, the fair value of the share-based compensation awards is estimated based on the fair value of the underlying ordinary shares at the grant date.

The total expenses recognized in profit or loss in respect of the share-based compensation under the Plan were RMB115.4 million, RMB45.0 million and RMB39.4 million for the years ended December 31, 2023, 2024 and 2025, respectively. As of December 31, 2025, total unrecognized compensation expenses under the Plan granted after 2013 were US$13.4 million, which is expected to be recognized over a weighted average period of 2.9 years.

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Net Loss Per Share

Basic and diluted loss per share have been calculated in accordance with ASC260 for the years ended December 31, 2023, 2024 and 2025. Shares issuable for little consideration have been included in the number of outstanding shares used for basic and diluted loss per share.

	For the Year Ended December 31,		
	2023	2024	2025
Numerator (RMB in thousands):			
Net loss	(839,528)	(168,967)	(195,161)
Net (income)/loss attributable to noncontrolling interests	(4,113)	(2,835)	2,260
Net loss attributable to ordinary shareholders	(843,641)	(171,802)	(192,901)
Denominator:			
Weighted average number of ordinary shares outstanding, basic	299,132,894	273,560,865	240,043,649
Weighted average number of ordinary shares outstanding, diluted	299,132,894	273,560,865	240,043,649
Net loss per share, basic (RMB)	(2.82)	(0.63)	(0.80)
Net loss per share, diluted (RMB)	(2.82)	(0.63)	(0.80)

Basic and diluted loss per ordinary share are computed using the weighted average number of ordinary shares outstanding during the years. Both Class A and Class B ordinary shares are included in the calculation of the weighted average number of ordinary shares outstanding, basic and diluted.

The following ordinary shares equivalents were excluded from the computation of dilutive net loss per share to eliminate any antidilutive effect:

	For the Year Ended December 31,		
	2023	2024	2025
Share options and restricted shares	3,130,720	1,034,425	4,633,590

17. Treasury Stock

On June 10, 2022, the Company's annual general meeting approved a share repurchase program of up to US$100 million for the next 12 months. The share repurchase program approved in June 30, 2023 was successively extended at annual general meetings until June 25, 2026. As of December 31, 2025, the Company has repurchased a total of 31.1 million Class A ordinary shares on both the New York Stock Exchange and the HKEX under the program for a total consideration of US$66.5 million (RMB465.0 million), and these repurchased shares were cancelled as of December 31, 2025. In addition, as of December 31, 2025, the Company has repurchased a total of 27.8 million Class A ordinary shares for a total consideration of US$41.2 million (RMB288.1 million) to be utilized upon vesting of restricted shares in future.

In addition, the Company conducted an all cash tender offer and repurchased a total of 33,016,016 Class A ordinary shares tendered (including 19,877,118 Class A ordinary shares in the form of 6,625,706 ADSs) for a total consideration of approximately US$38.5 million (RMB281.0 million). These shares were repurchased and cancelled on November 8, 2024.

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

18. Commitments and Contingencies

Commitments

Upon the adoption of ASC 842, future minimum lease payments for operating lease as of December 31, 2025 are disclosed in Note 10.

Litigation

From time to time, the Group is involved in claims and legal proceedings that arise in the ordinary course of business. Based on currently available information, management does not believe that the ultimate outcome of any unresolved matters, individually and in the aggregate, is reasonably possible to have a material adverse effect on the Group's financial position, results of operations or cash flows. However, litigation is subject to inherent uncertainties and the Group's view of these matters may change in the future. The Group records a liability when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. The Group reviews the need for any such liability on a regular basis. The Group has not recorded any material liabilities in this regard as of December 31, 2024 and 2025.

19. Fair Value Measurement

Financial assets and liabilities of the Group primarily consist of cash and cash equivalents, restricted cash, term deposits, short-term investments, trade receivables, other receivables, long-term investments, amounts due from/to related parties, accounts payable and accrued liabilities, lease liabilities, short-term borrowings and other current liabilities.

(a) Assets and liabilities measured at fair value on a recurring basis

The following table sets forth the financial instruments, measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31, 2025 (in thousands):

		Fair value measurement at reporting date using		
Items	Fair Value as of December 31, 2025	Quoted Prices in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable inputs (Level 3)
	RMB	RMB	RMB	RMB
Assets				
Short-term investments	840,938	—	840,938	—
Debt investments accounted for at fair value	17,521	—	—	17,521

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

19. Fair Value Measurement (Continued)

(a) Assets and liabilities measured at fair value on a recurring basis (Continued)

The following table sets forth the financial instruments, measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31, 2024 (in thousands):

		Fair value measurement at reporting date using		
Items	Fair Value as of December 31, 2024	Quoted Prices in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable inputs (Level 3)
	RMB	RMB	RMB	RMB
Assets				
Short-term investments	538,816	—	538,816	—

Short-term investments

As of December 31, 2024 and 2025, the Group's short-term investments consisted of wealth management products and structured deposits. The rates of interest under these investments were determined based on quoted rate of return provided by financial institutions at the end of each period. The Group classifies the valuation techniques that use these inputs as Level 2 of fair value measurement.

Other financial instruments

As of December 31, 2025, debt investments accounted for at fair value consist of our investment in convertible debts issued by a privately held company. The Group measures these investments under the fair value option on a recurring basis. The fair value is estimated using the assets approach and classified as Level 3 fair value measurement.

Trade receivables, amounts due from/to related parties and other current assets are financial assets with carrying values that approximate fair value due to their short-term nature. Accounts payable and accrued liabilities, short-term borrowings and other current liabilities are financial liabilities with carrying values that approximate fair value due to their short-term nature.

(b) Assets and liabilities measured at fair value on a nonrecurring basis

As of December 31, 2025, the Group's long-term investments primarily consist of equity investments without readily determinable fair value and debt investments accounted for at fair value (Note 2(o)). The Group measures the equity investment accounted for using the equity method at fair value on a non-recurring basis only if an impairment charge was to be recognized. The equity investment accounted for using the measurement alternative is generally not categorized in the fair value hierarchy. However, if equity investments without readily determinable fair values were re-measured or impaired, they were classified within Level 3 in the fair value hierarchy. The Group used back-solve method and equity allocation model to re-measure the fair value of the instruments, using the observable transaction price at the transaction date or other unobservable inputs, including the probability of each scenario, expected time to each scenario, volatility and risk-free rate. The equity securities without readily determinable fair value were RMB51.2 million and RMB141.0 million as of December 31, 2024 and 2025. Refer to Note 9 for details.

The Group's other non-financial assets, such as intangible assets, goodwill, fixed assets and operating lease assets, are measured at fair value only if they are determined to be impaired. The inputs used to measure the estimated fair value of such assets are classified as Level 3 in the fair value hierarchy due to the significance of unobservable inputs used. Nil, nil and RMB10.5 million of impairment loss of intangible assets was recognized for the years ended December 31, 2023, 2024 and 2025. Nil, nil and RMB126.3 million of impairment loss of goodwill was recognized for the years ended December 31, 2023, 2024 and 2025. Refer to Note 7 and Note 8 for details.

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

20. Related Party Transactions

During the years presented, other than disclosed elsewhere, the Group mainly had transactions with the following related parties:

Names of the major related parties	Nature of relationship
Tencent Holdings Limited and its subsidiaries (the "Tencent Group")	A shareholder that has significant influence over the Group
Kuaishou Technology and its subsidiaries (the "Kuaishou Group")	A shareholder that has significant influence over the Group
Beijing ModelBest Intelligent Technology Co., Ltd. ("ModelBest") and its subsidiaries	An investee of the Group
Beijing Radio and Television Station ("BRTS")	A shareholder of the Company's VIE
Civil Spectrum Limited ("Civil Spectrum") and its subsidiaries	An investee of the Group

(a) Significant transactions with related parties

The following table presents significant transactions with related parties for the years ended December 31, 2023, 2024 and 2025 (in thousands):

	For the Year Ended December 31,		
	2023	2024	2025
	RMB	RMB	RMB
Services purchased from related parties			
Tencent Group[(i)]	28,822	25,858	22,927
Kuaishou Group[(ii)]	10,837	60,112	28,176
BRTS[(iii)]	—	5,660	2,830
Services provided to related parties			
Tencent Group[(iv)]	29,174	16,500	17,154
Kuaishou Group[(iv)]	5,437	11,658	29,991

(i) Services purchased from Tencent Group primarily related to payment services and cloud and bandwidth services.
(ii) Services purchased from Kuaishou Group primarily related to marketing services and cloud and bandwidth services.
(iii) Services purchased from BRTS primarily related to consulting services.
(iv) Services provided to Tencent Group and Kuaishou Group primarily related to marketing services.

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

20. Related Party Transactions (Continued)

(b) Balances with related parties

The following table presents balances with related parties as of December 31, 2024 and 2025 (in thousands):

	As of December 31,	
	2024	2025
	RMB	RMB
Amount due from related parties		
Tencent Group	6,601	13,481
Kuaishou Group	11,313	12,089
ModelBest[(i)]	23,674	—
Amount due to related parties		
Tencent Group	4,863	3,450
Kuaishou Group	1,962	385
Civil Spectrum[(ii)]	—	12,300

(i) The balance mainly represents expenditures paid by the Group on behalf of ModelBest.
(ii) The balance represents the long-term investment consideration payable to Civil Spectrum, which was paid in January 2026 and is non-trade in nature.

Other than the amount due to Civil Spectrum, the transactions and balances with related parties are all trade in nature.

21. Segment Information

The Group's organizational structure is based on a number of factors that the Group's CODM uses to evaluate, view and run its business operations which include, but not limited to, customer base, products and technology. The Group's operating segments are based on such organizational structure and information reviewed by the Group's CODM to evaluate the operating segment results. The Group has internal reporting of revenue, cost and expenses by nature as a whole. Hence, the Group has only one operating segment.

The accounting policies of the single segment are the same as described in the significant accounting policies. The Group's CODM reviews cost and expenses at the consolidated level as disclosed in the consolidated statements of operations and comprehensive loss. Key revenue streams are as below (in thousands):

	For the Year Ended December 31,		
	2023	2024	2025
	RMB	RMB	RMB
Marketing services	1,652,992	1,247,092	843,933
Paid membership	1,826,557	1,761,978	1,538,942
Others[(i)]	719,340	589,835	366,129
Total revenues	4,198,889	3,598,905	2,749,004

(i) The Group simplified its revenue stream by reclassifying vocational training into "others" to align with its overall strategy during the year ended December 31, 2025, and the revenue of others for the years ended December 31, 2023 and 2024 has been retrospectively reclassified.

Substantially all revenues are derived from China based on the geographical locations where services are provided to customers. In addition, the Group's long-lived assets are substantially all located in China, and the amount of long-lived assets attributable to any individual other country is not material. Therefore, no geographical segments are presented.

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

22. Restricted Net Assets

Relevant PRC laws and regulations permit PRC companies to pay dividends only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Additionally, the Company's PRC subsidiaries and VIEs can only distribute dividends upon approval of the shareholders after they have met the PRC requirements for appropriation to the general reserve fund and the statutory surplus fund respectively. The general reserve fund and the statutory surplus fund require that annual appropriations of 10% of net after-tax income should be set aside prior to payment of any dividends. As a result of these and other restrictions under PRC laws and regulations, the PRC subsidiaries and VIEs are restricted in their ability to transfer a portion of their net assets to the Company either in the form of dividends, loans or advances, with restricted portions amounted to approximately RMB2,078.2 million and RMB1,096.6 million of the Company's total consolidated net assets, as of December 31, 2024 and 2025, respectively. Even though the Company currently does not require any dividends, loans or advances from the PRC entities for working capital and other funding purposes, the Company may in the future require additional cash resources from them due to changes in business conditions, to fund future acquisitions and development, or merely to declare and pay dividends or distributions to its shareholders. Except for the above, there is no other restriction on use of proceeds generated by the Group's subsidiaries, the VIEs and their subsidiaries to satisfy any obligations of the Company.

Furthermore, cash transfers from the Company's PRC subsidiaries to their parent companies outside of China are subject to PRC government control of currency conversion. Shortages in the availability of foreign currency may restrict the ability of the PRC subsidiaries and VIEs to remit sufficient foreign currency to pay dividends or other payments to the Company, or otherwise satisfy their foreign currency denominated obligations.

23. Business combination

Xi'an Zhifeng Network Technology Co., Ltd. (referred to as "Xi'an Zhifeng"), a Chinese company, is a vocational training provider which mainly focuses on Master of Business Administration (the "MBA") examination tutoring courses. In April 2023, the Group acquired 51% of the equity interest in Xi'an Zhifeng at a contingent aggregate purchase price, which was initially accounted for at fair value of RMB104.3 million. Contingent consideration is subject to Xi'an Zhifeng's future operating results and subsequently measured at fair value through profit and loss, which was classified as a liability in consolidated balance sheets. The 34.0% shares held by the founder is subject to a 4 years' service period. That is, if the founder left the Company within 4 years after the closing of the acquisition, Zhihu has the option to either require the redemption of the shares by the founder or to purchase the remaining 34.0% shares held by the founder at nominal consideration. Moreover, Zhihu has the right to acquire the 34% equity interest held by the founder if certain performance targets are met by Xi'an Zhifeng at the price determined based on a pre-agreed formula. In addition, additional 11.4% shares are reserved to be awarded to employees of Xi'an Zhifeng in future. As such, the transaction was regarded as if the Group has effectively acquired 96.4% of equity interests at the acquisition date with 34.0% equity interests granted to the founder as share-based compensation for the future service and a put and a call option which are recognized as financial instruments measured at fair value. The remaining 3.6% of equity interests were accounted for as noncontrolling interests.

The allocation of the purchase price as of the date of acquisition is summarized as follows (in thousands):

	RMB
Net assets acquired	1,052
Amortizable intangible assets	
Brand name	43,000
Content	13,300
Technology	2,700
Financial instruments arising from acquisition	1,600
Goodwill	64,733
Deferred tax liabilities	(14,750)
Noncontrolling interests	(7,327)
	104,308

Goodwill arising from the above acquisition was attributable to the synergies expected from the combined operations of Xi'an Zhifeng and the Company in the vocational education sector in the PRC. The Company does not expect the goodwill recognized to be deductible for income tax purposes.

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

23. Business combination (Continued)

Pro forma results of operations for Xi'an Zhifeng have not been presented because they were not material to the consolidated statements of operations and comprehensive loss for the year ended December 31, 2023.

In April 2024, the Group disposed all of its equity interest held in Xi'an Zhifeng with a total cash consideration of RMB35.6 million. As a result, Xi'an Zhifeng was deconsolidated and a gain of RMB4.9 million was recognized in investment income in the consolidated statements of operations and comprehensive loss for the year ended December 31, 2024.

24. Subsequent Event

No subsequent event which had a material impact on the Company was identified through the date of issuance of the consolidated financial statements.

25. Additional Information—Parent Company Only Condensed Financial Information

The Company performed a test on the restricted net assets of subsidiaries and VIE in accordance with Securities and Exchange Commission Regulation S-X Rule 4-08 (e) (3), "General Notes to Financial Statements" and concluded that the condensed financial information of the Company is required to be presented. The Company did not have significant capital and other commitments, or guarantees as of December 31, 2024 and 2025.

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

25. Additional Information—Parent Company Only Condensed Financial Information (Continued)

(a) Condensed balance sheets of Zhihu Inc.

	As of December 31,		
	2024	2025	2025
	RMB in thousands		US$ in thousands
ASSETS			
Current assets:			
Cash and cash equivalents	37,711	240,902	34,449
Term deposits	70,378	—	—
Short-term investments	—	71,279	10,193
Amounts due from subsidiaries and VIEs and VIEs' subsidiaries	2,814	2,893	414
Prepayments and other current assets	7,759	9,727	1,390
Total current assets	**118,662**	**324,801**	**46,446**
Non-current assets:			
Investments in subsidiaries	4,139,841	3,583,957	512,499
Total non-current assets	**4,139,841**	**3,583,957**	**512,499**
Total assets	**4,258,503**	**3,908,758**	**558,945**
LIABILITIES AND SHAREHOLDER'S EQUITY			
Current liabilities:			
Accounts payable and accrued liabilities	29,858	13,934	1,993
Other current liabilities	31,966	31,253	4,469
Amounts due to subsidiaries and VIEs and VIEs' subsidiaries	60,556	59,435	8,499
Total current liabilities	**122,380**	**104,622**	**14,961**
Total liabilities	**122,380**	**104,622**	**14,961**
Shareholders' equity:			
Ordinary shares (US$0.000125 par value)	203	207	30
Treasury stock	(112,057)	(275,059)	(39,333)
Additional paid-in capital	13,113,010	13,183,041	1,885,150
Statutory reserve	435	706	101
Accumulated other comprehensive income/(loss)	12,383	(33,736)	(4,824)
Accumulated deficit	(8,877,851)	(9,071,023)	(1,297,140)
Total shareholders' equity	**4,136,123**	**3,804,136**	**543,984**
Total liabilities and shareholders' equity	**4,258,503**	**3,908,758**	**558,945**

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

25. Additional Information—Parent Company Only Condensed Financial Information (Continued)

(b) Condensed statements of operations and comprehensive loss of Zhihu Inc.

	For the Year Ended December 31,			
	2023	2024	2025	2025
		RMB in thousands		US$ in thousands
Operating expenses:				
General and administrative expenses	(45,625)	(41,861)	(22,159)	(3,169)
Total operating expenses	(45,625)	(41,861)	(22,159)	(3,169)
Loss from operations	**(45,625)**	**(41,861)**	**(22,159)**	**(3,169)**
Other income/(expenses):				
Interest income	5,105	8,559	23,540	3,366
Exchange gains	138	8	—	—
Investment income	—	13	999	143
Share of loss of subsidiaries	(816,004)	(181,878)	(219,832)	(31,436)
Others, net	12,745	43,357	24,551	3,513
Net loss	**(843,641)**	**(171,802)**	**(192,901)**	**(27,583)**
Net loss attributable to Zhihu Inc.'s shareholders	**(843,641)**	**(171,802)**	**(192,901)**	**(27,583)**
Net loss	(843,641)	(171,802)	(192,901)	(27,583)
Other comprehensive income/(loss):				
Foreign currency translation adjustments	45,257	32,934	(46,119)	(6,594)
Total other comprehensive income/(loss)	**45,257**	**32,934**	**(46,119)**	**(6,594)**
Total comprehensive loss	**(798,384)**	**(138,868)**	**(239,020)**	**(34,177)**
Comprehensive loss attributable to Zhihu Inc.'s shareholders	**(798,384)**	**(138,868)**	**(239,020)**	**(34,177)**

Zhihu Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

25. Additional Information—Parent Company Only Condensed Financial Information (Continued)

(c) Condensed statements of cash flows of Zhihu Inc.

	For the Year Ended December 31,			
	2023	2024	2025	2025
		RMB in thousands		US$ in thousands
Net cash (used in)/provided by operating activities	(44,388)	18,577	17,866	2,555
Purchases of term deposits	(72,054)	(69,150)	(502,525)	(71,860)
Proceeds from withdrawal of term deposits	—	71,006	564,963	80,789
Purchases of short-term investments	—	(35,679)	(71,013)	(10,155)
Proceeds of maturities of short-term investments	—	35,582	—	—
Repayment from subsidiaries of investment	284,017	670,696	2,377,171	339,931
Investment in subsidiaries	—	(258,192)	(2,015,804)	(288,256)
Net cash provided by investing activities	211,963	414,263	352,792	50,449
Proceeds received from employees in relation to share options and restricted shares	4,513	1,158	431	62
Payments for repurchase of shares	(369,569)	(400,707)	(167,060)	(23,889)
Net cash used in financing activities	(365,056)	(399,549)	(166,629)	(23,827)
Effect of exchange rate changes on cash and cash equivalents	3,340	1,549	(838)	(121)
Net (decrease)/increase in cash and cash equivalents	**(194,141)**	**34,840**	**203,191**	**29,056**
Cash and cash equivalents at beginning of the year	**197,012**	**2,871**	**37,711**	**5,393**
Cash and cash equivalents at end of the year	**2,871**	**37,711**	**240,902**	**34,449**

Exhibit 8.1

List of Principal Subsidiaries and Consolidated Variable Interest Entities

Subsidiaries	**Place of Incorporation**
Zhihu Technology (HK) Limited	Hong Kong
Zhizhe Sihai (Beijing) Technology Co., Ltd.	PRC
Beijing Zhihu Network Technology Co., Ltd.	PRC
Wuhan Bofeng Technology Co., Ltd.	PRC
Wuhan Zhihu Network Technology Co., Ltd.	PRC

Consolidated Variable Interest Entities	**Place of Incorporation**
Beijing Zhizhe Tianxia Technology Co., Ltd.	PRC
Shanghai Pinzhi Education Technology Co., Ltd.	PRC
Wuhan Xinyue Network Technology Co., Ltd.	PRC

Consolidated Variable Interest Entities' Subsidiary	**Place of Incorporation**
Wuhan Zhibo Wenshuo Technology Co., Ltd.	PRC

Exhibit 12.1

Certification by the Principal Executive Officer

Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Yuan Zhou, certify that:

1. I have reviewed this annual report on Form 20-F of Zhihu Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 17, 2026

By: /s/ Yuan Zhou
Name: Yuan Zhou
Title: Chief Executive Officer

Exhibit 12.2

Certification by the Principal Financial Officer

Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Han Wang, certify that:

1. I have reviewed this annual report on Form 20-F of Zhihu Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 17, 2026

By: /s/ Han Wang
Name: Han Wang
Title: Chief Financial Officer

Exhibit 13.1

Certification by the Principal Executive Officer

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Zhihu Inc. (the "Company") on Form 20-F for the year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Yuan Zhou, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 17, 2026

By: /s/ Yuan Zhou
Name: Yuan Zhou
Title: Chief Executive Officer

Exhibit 13.2

Certification by the Principal Financial Officer

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Zhihu Inc. (the "Company") on Form 20-F for the year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Han Wang, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 17, 2026

By: /s/ Han Wang
Name: Han Wang
Title: Chief Financial Officer

Exhibit 15.1

Our ref KKZ/781374-000001/86456639v1

Zhihu Inc.
18 Xueqing Road
Haidian District, Beijing 100083
People's Republic of China

17 April 2026

Dear Sir or Madam

Zhihu Inc.

We have acted as legal advisers as to the laws of the Cayman Islands to Zhihu Inc., an exempted limited liability company incorporated in the Cayman Islands (the "**Company**"), in connection with the filing by the Company with the United States Securities and Exchange Commission (the "**SEC**") of an annual report on Form 20-F for the year ended 31 December 2025 (the "**Annual Report**").

We hereby consent to the reference to our firm under the heading "Item 10. Additional Information—E. Taxation" in the Annual Report, and we further consent to the incorporation by reference of the summary of our opinions under this heading into the Company's registration statement on Form S-8 (File No. 333-256178) that was filed on 17 May 2021, pertaining to the Company's 2012 Incentive Compensation Plan, the Company's registration statement on Form S-8 (File No. 333-265451) that was filed on 7 June 2022, pertaining to the Company's 2022 Share Incentive Plan, and the Company's registration statement on Form F-3 that was filed on 8 April 2022 (No. 333-264200).

We consent to the filing with the SEC of this consent letter as an exhibit to the Annual Report. In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, or under the Securities Exchange Act of 1934, in each case, as amended, or the regulations promulgated thereunder.

Yours faithfully

/s/ Maples and Calder (Hong Kong) LLP
Maples and Calder (Hong Kong) LLP

Exhibit 15.2

Global Law Office

April 17, 2026

To: Zhihu Inc. (the "**Company**")

18 Xueqing Road
Haidian District, Beijing 100083
People's Republic of China

Dear Sir/Madam,

We consent to the reference to our firm under the captions of "Item 3.Key Information—Our Holding Company Structure and Contractual Arrangements with the VIEs and Their Shareholders", "Item 3.Key Information—Permissions Required from the PRC Authorities for Our Operations" "Item 3.D—Risk Factors" , "Item 4.B—Business Overview—Regulation" and "Item 4.B—Business Overview—User Privacy and Data Security" in the Annual Report on Form 20-F of the Company for the year ended December 31, 2025, which will be filed with the Securities and Exchange Commission (the "SEC") in the month of April 2026 and further consent to the incorporation by reference into the Company's registration statement on Form S-8 (File No. 333-256178) that was filed on May 17, 2021, pertaining to the Company's 2012 Incentive Compensation Plan, the Company's registration statement on Form S-8 (File No. 333-265451) that was filed on June 7, 2022, pertaining to the Company's 2022 Share Incentive Plan, and the Company's registration statement on Form F-3 that was filed on August 8, 2022 (No. 333-264200). We also consent to the filing with the SEC of this consent letter as an exhibit to the Annual Report on Form 20-F for the year ended December 31, 2025.

Yours faithfully,

[Signature Page by Global Law Office]

Yours Sincerely,

/s/ Global Law Office
Global Law Office

Exhibit 15.3

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (File Nos. 333-256178 and 333-265451) of Zhihu Inc. of our report dated April 17, 2026 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 20-F.

/s/ PricewaterhouseCoopers Zhong Tian LLP

Beijing, the People's Republic of China
April 17, 2026