

---

## RISK FACTORS

---

*An investment in our Shares involves significant risks. You should carefully consider all the information in this Document, including the risks and uncertainties described below, before making an investment in our Shares. The following is a description of what we consider to be our material risks. Any of the following risks could materially and adversely affect our business, financial condition, and results of operations. The market price of our Shares could significantly decrease due to any of these risks, and you may lose all or part of your investment.*

*These factors are contingencies that may or may not occur, and we are not able to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in “Forward-looking Statements” in this Document.*

### RISKS RELATED TO OUR BUSINESS AND INDUSTRY

**The industries in which we operate are characterized by constant changes. If we fail to continuously innovate our technology and provide useful solutions that meet the expectations of our users, our business, financial condition and results of operations may be materially and adversely affected.**

According to Frost & Sullivan, the industry in which we operate, namely, enterprise-grade AI solutions market, is characterized by constant changes, including rapid technological evolution, frequent introductions of new solutions, continual shifts in user demands and constant emergence of new industry standards and practices. Thus, our success will depend, in part, on our ability to respond to these changes in a cost-effective and timely manner. We need to constantly anticipate the emergence of new technologies and assess their market acceptance. To remain competitive, we must continue to stay abreast of the evolving industry trends and rapid technological developments. We have invested and intend to continue investing significant resources in technologies to enhance our solutions. Nevertheless, we may not be able to leverage new technologies effectively or adapt our solutions to meet user needs or emerging industry standards, and our technology approach might not align with our future development plans or even become obsolete if we are unable to adapt in a cost-effective and timely manner to changing market conditions, whether for technical, legal, financial or other reasons. Our success will depend partially on our ability to continuously identify, develop, acquire, protect or license advanced and new technologies that are valuable to our solutions. Failure to do so could render our existing solutions obsolete and unappealing, thereby adversely affecting our business prospects.

Our research and development is organized around dedicated teams responsible for AI model engineering, application development, and data management, working in close collaboration with our solution units to ensure that innovations are rapidly translated into market-ready offerings. Uncertainties regarding the timing and nature of the development of AI solutions or technologies, or modifications to existing solutions or technologies, could increase our research and development expenses. Any failure to deliver effective results by

---

## RISK FACTORS

---

our solutions could render our research and development efforts obsolete, reduce the demand for our services, result in user dissatisfaction, and adversely affect our business, financial condition, results of operations and prospects.

**If we fail to compete effectively, our business, financial condition and results of operations may be materially and adversely affected.**

According to Frost & Sullivan, with respect to each industry vertical that we have entered into, we compete against existing players in such verticals, such as leading internet and technology companies and other established AI technology enterprises. We may also in the future face competition from new market entrants. Such new entrants may include better-established technology companies that possess substantial financial resources, sophisticated technological capabilities and broad distribution channels. Furthermore, we may face competition from global technology companies that seek to enter the China market, whether independently or through formation of strategic alliances with, or acquisition of, companies in China that focus on providing AI solutions. Increased competition could result in lower sales, price reductions, reduced margins and loss of market share. In addition, we may be compelled to make substantial additional investments in research and development, marketing and sales in order to respond to such competitive threats, and we cannot assure you that such measures will be effective. If we are unable to compete successfully, or if competing successfully requires us to take costly actions in response to the actions of our competitors, our business, financial condition and results of operations could be adversely affected.

**If the market for our solutions fails to grow as we expect, or if our users or potential users fail to adopt our solutions, our business, operating results, and financial condition could be adversely affected.**

It is difficult to predict demand for our solutions, the entry of competitive solutions, or the future growth rate and size of the enterprise-grade AI solutions market. Although the demand for AI-powered intelligent marketing and intelligent operations solutions has grown rapidly in recent years, such markets are constantly evolving. We cannot be sure that the enterprise-grade AI solutions market will continue to grow or, even if it does grow, that businesses will adopt our solutions. Our future success will depend in large part on our ability to further penetrate the markets where we operate. Our ability to further penetrate such markets depends on a number of factors, including the cost, performance and perceived value associated with our solutions, as well as users’ willingness to adopt our solutions. We have spent, and intend to keep spending considerable resources to educate potential users about AI-powered intelligent operations and intelligent marketing in general and our solutions in particular. However, we cannot be sure that these expenditures will help our solutions achieve any additional market acceptance. Furthermore, potential users may be unwilling to invest in novel solutions. If the market fails to grow or grows slower than we expect or enterprises fail to adopt our solutions, our business, operating results and financial condition could be adversely affected.

---

## RISK FACTORS

---

**If we fail to retain existing customers or increase the spending by existing customers, or attract new customers, our business, financial condition, results of operations and prospects may be materially and adversely affected.**

We have been expanding our customer base across various industry verticals, including finance, technology and retail. Our ability to retain existing customers, attract new customers, and increase spending by existing customers depends on several factors, including our ability to continuously offer AI-powered enterprise grade solutions that address the evolving needs of our customers at competitive prices, the strength of our proprietary technologies portfolio — which includes XK-QianAI and QianNexus, and our ability to continuously enhance and evolve our technologies in line with market and customer needs. While we have achieved growth, we cannot guarantee that we will continue to attain rapid growth. Expansion into new verticals presents challenges such as differences in business dynamics, regulatory requirements, and client expectations. We may face difficulties adapting our solutions or operations to evolving market needs, which could delay solution deployment or limit client acceptance.

As we continue to grow our customer base and diversify into new verticals, we may encounter challenges in providing solutions that meet the specific demands of clients in the respective industry. Additionally, there is no assurance that we will be able to deliver the level of customer support expected by our clients, including timely responses to their needs and clear communication regarding our solutions. Such failures could lead to client dissatisfaction, decreased demand for our solutions, and loss of expected revenue. Our ability to meet or exceed customer service expectations is crucial to our continued success. Failure to do so could harm our reputation, making it more difficult to retain existing customers or attract new ones, which could ultimately adversely affect our business, financial condition, and prospects.

**Our use of open-source large model could impose limitations on our business operations.**

Application of open-source large models forms part of our AI-powered solutions. We expect to continue to use open-source software in the future. Although we monitor our use of open-source software to avoid subjecting our software to conditions we do not intend to be bound, we may face allegations from others alleging ownership of, or seeking to enforce the terms of, an open-source license, including by demanding release of the open-source software, derivative works, or our proprietary source code that was developed using such software. These allegations could also result in litigation. The terms of many open-source licenses have not been interpreted by courts. There is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to commercialize our applications, software and platform. In such an event, we may be required to seek licenses from third parties to continue commercially offering our applications and software, to make our proprietary code generally available in source code form, to re-engineer our application/software or to discontinue the sale of our application/software if re-engineering could not be accomplished on a timely basis, any of which could adversely affect our business, financial condition and results of operations.

---

## RISK FACTORS

---

The use of open-source software subjects us to a number of other risks and challenges. Open-source software is subject to further development or modification by anyone. It is also possible for competitors to develop their own solutions and services using open-source software, potentially reducing the demand for our solutions and services. With regard to the potential competition from open-source software developed by others, we believe our core capabilities that empower us in the competition lie in our self-developed solutions, which merely involve open-source software in certain basic service support that is not comparable to our core technologies. Therefore, we manage such competition risks primarily by focusing on our own development and technologies. If we are unable to successfully address these challenges, our business and operating results may be adversely affected, and our development costs may increase.

**Our AI solutions rely primarily on public industry data and accumulated knowledge system. Both the inherent limitations of such data sources and potential inaccuracies or delays in data updates could adversely affect the performance of our solutions, which may in turn impact our business and financial performance.**

The quality and availability of the data we collect and use are fundamental to the effectiveness of our AI-powered solutions and industry-specific applications. If the data we rely on becomes outdated, inaccurate, lacks credibility, or is no longer accessible, the performance of our solutions could be significantly impacted, which may adversely affect our business operations and financial performance. Our solutions mainly rely on publicly available data and internally accumulated data. We strive to ensure that the data we use is accurate, timely, and reliable, but we cannot guarantee that all such data will remain comprehensive, current, or sufficient for model optimization. Data which we access contain inaccuracies, omissions, or outdated information. These deficiencies, if incorporated into our AI models and algorithms, could lead to suboptimal performance and adversely affect the perceived value and effectiveness of our solutions, thereby impacting our business operations and financial performance.

**AI technologies are heavily embedded in our integrated solutions and are constantly evolving. Any flaws or inappropriate usage of AI technologies, whether actual or perceived, whether intended or inadvertent, whether committed by us or by other third parties, could have negative impact on our business, reputation and the general acceptance of AI solutions by the society.**

AI technologies are heavily embedded in our integrated solutions. Our solutions infrastructure, which connects data management, knowledge hub and intelligent agents, relies heavily on AI technologies and is a pillar to the effective and cost-efficient AI powered integrated solutions that we offer to customers. According to Frost & Sullivan, to remain competitive in the AI industry, we must continue to stay abreast of rapid technological developments and continuously evolving industry trends, including but not limited to adopting the latest computing mechanisms and/or further improve our industry-specific algorithms. We have invested significantly in our R&D and made other efforts in response to these constant changes, but we can make no assurance that these efforts will generate expected return, or any return at all. Failure to cope with rapid development of AI technologies may materially and adversely affect our business, financial condition and results of operations. According to Frost & Sullivan, AI technologies are still

---

## RISK FACTORS

---

at a preliminary stage of development and will continue to evolve. Flaws or deficiencies in AI technologies could undermine the accuracy and thoroughness of the analysis and decisions made by our solutions. There can be no assurance that we will be able to detect and remedy such flaws or deficiencies in a timely manner, or at all. If the recommendations, forecasts or analysis that our AI solutions assist in producing are deficient or inaccurate, we could be subjected to competitive harm, potential legal liability, and ethical or reputational harm. Any flaws or deficiencies in our AI technologies and solutions, whether actual or perceived, could materially and adversely affect our business, reputation, results of operations and prospects.

Any inappropriate, abusive or premature usage of AI technologies, whether actual or perceived, whether intended or inadvertent, and whether by us or by third parties, may dissuade prospective users from adopting AI solutions, may impair the general acceptance of AI solutions by the society, attract negative publicity and adversely impact our reputation. It may even violate applicable laws and regulations in China and other jurisdictions and subject us to legal or administrative proceedings, pressures from activists and/or other organizations and heightened scrutiny by regulators. Each of the foregoing events may in turn materially and adversely affect our business, financial condition, results of operations and prospects.

**Our proprietary technologies which are essential to our daily business operations are complex and may contain undetected errors or may not operate properly, which could adversely affect our business, results of operations, financial condition and prospects.**

Our proprietary technologies, which are essential to our daily business operations are complex and may contain undetected errors or may not operate properly, especially when solutions are first introduced or when new versions are released, which could adversely affect our business, results of operations, financial condition and prospects. Any flaws or misuse of our technologies, whether actual or perceived, whether intended or inadvertent, whether committed by us or by other third parties, could have negative impact on our brand and reputation.

Furthermore, to remain competitive, we must continue to enhance and improve our proprietary technologies that forms part of our solutions, including our high-quality data distillation capabilities, decision-making CoT, cross-industry knowledge system and automated knowledge engineering pipeline. If competitors introduce new solutions using new technologies or if new industry standards and practices emerge, our existing solutions may become obsolete. Our failure to respond to technological change or to adequately maintain, upgrade and develop our solutions could harm our business, results of operations, financial condition and prospects.

In addition, our solutions are often installed with different operating systems, system management software and equipment and networking configurations, which may cause errors or failures in our solutions or may expose undetected errors, failures or bugs in our solutions. Despite testing by us, we may not identify all errors, failures or bugs in new solutions or releases until after commencement of commercial sales or installation. Any errors or delays in releasing new solutions or new versions of solutions or allegations of

---

## RISK FACTORS

---

unsatisfactory performance of our solutions could cause us to lose revenues or market share, and cause us to incur substantial costs in redesigning the solutions, cause us to lose significant customers, harm our reputation, subject us to liability for breach of warranty claims or damages and divert our resources from other tasks, any one of which could materially and adversely affect our business, results of operations and financial condition.

**A limited number of clients, in particular our largest customer, contributed to a substantial portion of our revenue, and failure to maintain our business relationship with them or reduce our reliance on them could adversely affect our business, financial condition, results of operations and prospects.**

We generate a significant portion of our revenue from a limited number of clients. Such clients are generally leading financial institutions and technology companies. In each period during 2023 and 2024 and the nine months ended September 30, 2025, revenue from our five largest customers amounted to RMB168.8 million, RMB193.3 million and RMB137.8 million, respectively, which accounted for 74.7%, 62.7% and 47.4% of our revenue for the corresponding period, respectively. As a result, our operating results are materially influenced by the business conditions, procurement strategies and demand cycles of these key customers. Any adverse developments affecting these customers, including changes in their business priorities, budget allocations or demand for our solutions, could lead to fluctuations in our revenue and operating performance.

In addition, in each period during 2023 and 2024 and the nine months ended September 30, 2025, revenue from our largest customer group, ZhongAn Group, amounted to RMB100.3 million, RMB137.7 million and RMB66.7 million, respectively, which accounted for 44.4%, 44.6%, and 23.0% of our revenue for the corresponding period, respectively. Please see “Business — Our Customers — Our Business Relationship with ZhongAn Group” for further details. Any change in the business strategy, financial condition, procurement policies or operational performance of ZhongAn Group or their relationship with the relevant clients could have a disproportionate impact on our revenue and results of operations. Although we are actively seeking to diversify our customer base by deepening our cooperation with other clients, such efforts may not be successful.

If our key customers, including our largest customer, do not continue to transact with us on scales or terms similar to historical levels, our business, financial condition and results of operations will be negatively affected. In particular, our key customers are sensitive to market developments and may expect constant iteration of our solutions to involve innovative features or new technologies. The loss of or reduction in any key customer’s business as a result of our inability to adopt new technologies, or for any other reason may materially and adversely affect our business, financial condition and results of operations.

---

## RISK FACTORS

---

**We cannot assure you that our enterprise-grade AI solutions will be effective, and if the performance does not meet our agreement with relevant clients, such clients may cease to use our solutions, and our results of operations and financial conditions could be adversely affected.**

Our clients utilize our AI-powered integrated solutions to streamline their operation and to conduct marketing and sales activities. However, we cannot assure you that our solutions will always be effective. Our solutions are empowered by complex AI agents and data analytics capabilities. The performance of our solutions depends on various factors, including but not limited to the quality and quantity of industry-specific parameters applied to analysis and the proper functioning of our models. As such, inability to meet the performance target with our clients may result in termination of the agreements, customer dissatisfaction or reputational damages. Thus, the failure of our solutions may adversely affect our business, financial condition, results of operations and prospects.

Our solutions’ performance depends on multiple factors, including the quality and scope of industry-specific parameters applied in analysis, the adequacy of data integration, and the proper functioning within clients’ operating environments. While we adopt a close partnership approach and actively participate in implementation to ensure smooth deployment, there remains a risk that technical constraints, process misalignment, or integration errors could affect solution effectiveness. Given that many clients utilize our systems to support critical business functions, any performance instability or operational failure could lead to project delays, client dissatisfaction, non-renewals, or reputational damage, which could adversely affect our business and reputation.

**We may be obligated to disclose our proprietary source code to our clients, which may limit our ability to protect our intellectual property and could reduce the renewals of our support and maintenance services.**

We usually utilize our proprietary systems to support our clients’ businesses. The intellectual property rights related to the source code between our clients and us typically fall into two categories: (i) customized development: when we develop an application system specifically tailored for a client, the intellectual property rights for that customized system belong to the client; and (ii) standardized and secondary development: the client has a non-exclusive right to use our standardized system, and the client enjoys all intellectual property rights or a non-exclusive right to use the customized secondary development of our system according to their requirements.

Disclosing the content of our source code may limit the intellectual property protection we can obtain or maintain for that source code or the solutions containing that source code and may facilitate intellectual property infringement claims against us. It also could permit a client to which a solution’s source code is disclosed to support and maintain that solution without being required to purchase our support or maintenance services. Each of these could harm our business, results of operations and financial condition.

---

## RISK FACTORS

---

**Any damage to our brand and reputation may materially and adversely affect our business.**

We derived substantially all our revenue through direct sales during the Track Record Period. Under this sales model, we rely on our brand and reputation to retain clients and enjoy success. We may face challenges in maintaining our brand and reputation with our clients. Maintaining and enhancing our brand and reputation depends on our ability to continue to provide high-quality and reliable solutions. Errors, defects, disruptions or other performance issues with our solutions may harm our brands and reputation, and we may introduce new solutions which might be poorly received by our clients. If our clients have a negative experience using our solutions, such an encounter may affect our brand and reputation amongst our clients.

In addition, we may, from time to time, receive negative publicity, including negative internet postings, ratings or comments on social media platforms or through traditional media about our business, solutions, directors and management. Certain of such negative publicity may be the result of malicious harassment or unfair competition acts by third parties. We may even be subject to government or regulatory investigation as a result of such third-party conduct and may be required to spend significant time and incur substantial costs to defend ourselves against such third-party conduct, and we may not be able to conclusively refute each of the allegations within a reasonable period of time, or at all. In particular, social media and other digital platforms have made it easier for negative comments and criticism to spread quickly, potentially harming our reputation. We may not be able to control what is said about us on these platforms, and a negative comment or review, regardless of the factual accuracy, could have a significant impact on our brand reputation. Any damage to our reputation could result in failure to attract new customers or even a loss of clients, market share and revenue, therefore materially and adversely affect our business, results of operations, financial condition and prospects.

**Potential issues in the adoption and use of AI in our product and solutions may result in reputational harm or liability.**

While many of our innovations are driven by AI, the use of AI technologies also presents inherent risks and challenges that could affect their adoption and, consequently, our business. AI algorithms may contain flaws, and datasets used for model training or inference may be insufficient, inaccurate, or biased. Improper or controversial data practices, whether by us or others in the industry, could negatively affect market acceptance of our solutions. The use of AI tools may also give rise to copyright or other legal issues, and our AI-related offerings may not always perform as effectively or competitively as those of our peers. These deficiencies could undermine the accuracy, reliability, or interpretability of AI-driven decisions and analyses, potentially resulting in legal liability or reputational harm.

Certain applications of AI also raise ethical considerations. If any of our AI-powered solutions are perceived as controversial due to their impact on human rights, privacy, employment, or other social concerns, we may face reputational damage or regulatory

---

## RISK FACTORS

---

scrutiny. As our AI solutions are embedded deeply in business operations across multiple industries, maintaining fairness, transparency, and accountability in AI design and deployment is critical to preserving client trust and market confidence.

The regulatory and legal framework governing AI (including registration or filing requirements our AI models and AI-related businesses) in the PRC is rapidly evolving and may not comprehensively address all aspects of AI research, development, and application. Since late 2021, the PRC government has accelerated legislation in areas such as algorithmic recommendation and deep synthesis. Key regulations include the Administrative Provisions on Internet Information Service Algorithm Recommendation 《互聯網信息服務算法推薦管理規定》 and the Administrative Provisions on Deep Synthesis of Internet Information Service 《互聯網信息服務深度合成管理規定》, followed by the Provisional Administrative Measures for Generative Artificial Intelligence Services 《生成式人工智能服務管理暫行辦法》 jointly issued by the Cyberspace Administration of China [“CAC”] and six other regulatory bodies on July 10, 2023, which took effect on August 15, 2023. These measures apply to algorithmic recommendation, deep synthesis, and generative AI services offered to the public in China, requiring service providers, amongst others, to conduct security assessments, complete algorithm filings, and implement measures to address unlawful content. Violations may result in penalties, including warnings, suspension of services, fines, or even criminal liability. However, as the interpretation, implementation and enforcement practices of these regulations continue to evolve, we cannot assure that we will be able to comply with all requirements in a timely manner or at all. Failure to meet such requirements may lead to consequences such as discontinuation of our solutions, penalties, liabilities or negative publicity.

**Changes in the market or our solutions may affect our pricing models and adversely affect our operating results.**

Our pricing models face challenges from evolving market changes. As the market for our solutions grows, as our competitors introduce new solutions that compete with ours or reduce their prices, we may be unable to attract new clients or retain existing clients based on our historical pricing models. Given our limited operating history and limited experience with our historical pricing models, we may not be able to accurately predict customer renewal or retention. In addition, regardless of the pricing model used, certain clients may demand higher price discounts. As a result, we may be required to reduce our prices, offer shorter contract durations or offer alternative pricing models, which could adversely affect our revenue, gross margin, profitability, financial position and cash flow.

**Our ability to sell our solutions is highly dependent on the quality of our professional services and technical support services, and our failure to offer high-quality professional services or technical support services could damage our reputation and adversely affect our ability to sell our solutions to new clients.**

If we do not effectively assist our clients in integrating our solutions, succeed in helping our clients quickly resolve issues they encounter while adopting our solutions and provide effective ongoing support, our ability to sell additional solutions to existing clients would be adversely affected and our reputation with potential clients could be damaged. Once our

---

## RISK FACTORS

---

solutions are integrated with our clients’ existing information technology and data, our clients may depend on our technical support services to resolve any issues relating to our solutions. High-quality support is critical for the continued successful marketing and sale of our solutions. Many clients require higher levels of support than smaller clients. If we fail to meet the requirements of our larger clients, it may be more difficult to increase our penetration rate of larger clients, which is key to the growth of our revenues and profitability.

In addition, as our customer base grows, we may be unable to provide quality support services or on-site support services, which could result in customer dissatisfaction, decrease overall demand for our solutions and loss of expected revenue. As a result, our failure to maintain high quality support services would have a material adverse effect on our business, financial condition, results of operations and prospects.

**We use cloud providers, telecommunication service providers and other internet or IT service providers in providing our solutions and services, and any failure or interruption in the services provided by these third parties or their misconduct could materially disrupt our operations and expose us to disputes and liabilities.**

We use cloud providers, telecommunications service providers and other internet or IT service providers to provide our services. Any failure or interruption in the services provided by these third parties, as well as their misconduct or improper practices or material changes in their strategies or policies, could materially disrupt our operations, expose us to disputes and liabilities, and adversely affect our business, results of operations, financial condition and prospects. If these third-party providers experience system failures, interruptions, or security breaches, it could cause our platform to experience downtime, leading to a negative impact on our operations. If any of these third-party providers suffer from cyberattacks or other security breaches, our platform could be compromised, leading to the unauthorized access of personal information and other sensitive information they possess. Furthermore, if these third-party providers breach our contracts or fail to provide services at the agreed-upon levels, it could lead to disputes, damages, or liabilities, which could damage our reputation, and erode clients’ confidence in us. Moreover, any misconduct or improper practices by a third-party provider, such as fraudulent activities or non-compliance with applicable laws and regulations, could lead to legal claims and regulatory fines or penalties, which would negatively affect our business, results of operations, financial condition and prospects. We may also not be able to identify and remediate any problems or issues with our third-party providers in a timely manner, and such problems may persist or recur, leading to further disruptions and negative impacts on our business, results of operations, financial condition and prospects.

Our operations depend on our ability, as well as that of third-party service providers to whom we have outsourced several critical functions, to protect data centers and related technology against damage from hardware failure, fire, power loss, telecommunications failure, impacts of terrorism, breaches in security (such as the actions of computer hackers), natural disasters, or other disasters. We cannot assure you that any applicable recovery system, security protocol, network protection mechanisms or other defence procedures are, or will be, adequate to prevent such network or service interruptions, system failures or

---

## RISK FACTORS

---

data losses. Despite any precautionary measures we may take, the occurrence of unanticipated problems that affect our technological infrastructure could result in interruptions in the availability of our solutions. It may be difficult for us to respond to such interruptions in a timely manner, or at all. In addition, we generate a substantial amount of our revenues through public online channels that we utilize in customer engagement, fulfilment of solutions and responding to clients. We may not have sufficient contingency operations to cover a loss or failure in all of these areas in a timely manner. Any damage to the telecommunication infrastructure that we utilize, failure of our telecommunications links or inability to access these telecommunication infrastructure or websites could cause interruptions in operations that materially adversely affect our ability to meet clients’ requirements, resulting in decreased revenue, operating income and earnings per share.

**We cannot guarantee that our business initiatives will be successfully implemented or generate sustainable revenue or profit.**

We continue to execute a number of strategies, including investing in technology to secure a long-term leading position, cultivating in value for customers while improving our solutions and strengthening talent development and building a high-caliber talent pool. The success of our growth initiatives, strategies and operating plans depends on various factors, such as market conditions, competition, regulatory requirements, technological changes, economic conditions and customers preferences. These factors may be difficult to predict or control, and if they do not develop as we expect, our growth initiatives, strategies and operating plans may not be successful in enhancing our business as anticipated. As such, we cannot guarantee that our growth initiatives, strategies and operating plans will be implemented successfully as scheduled or at all. For further details of our development strategies, please see the section headed “Business — Our Strategies.”

If we fail to implement our growth initiatives, strategies and operating plans effectively and efficiently, we may not be able to expand our operations, manage our growth, seize market opportunities as expected or remain competitive. Furthermore, even if we implement our growth initiatives, strategies and operating plans effectively and efficiently, there may be other unexpected events or factors beyond our control that may prevent us from achieving desirable and profitable results, such as evolvments in local laws and regulations and governmental policies, the availability of skilled professionals and changes in customer demand. Moreover, the execution of these plans may require significant investments of capital, resources and management time, and we may face challenges in implementing them effectively or within the expected time frame. As a result, we may experience delays, cost overruns or other obstacles that may limit our ability to realize the full benefits of these initiatives. If we are unable to successfully execute our growth initiatives, strategies and operating plans, or if the benefits that we realize are less than our estimates, our business, results of operations, financial condition and prospects may be adversely affected.

---

## RISK FACTORS

---

**Our business depends substantially on continuing efforts of our senior management and other key personnel, as well as a competent pool of talents who support our existing operations and future growth. If we are unable to retain, attract, recruit and train such personnel, our business may be materially and adversely affected.**

Our future success depends heavily on continuing efforts of our senior management, many of whom are difficult to replace. In particular, we rely on the expertise, experience and vision of our senior management, as well as other members of our senior management team. If any of our senior management becomes unable or unwilling to continue to contribute their services to us, we may not be able to replace them easily, or at all. As a result, our business may be severely disrupted, and our financial condition and results of operations may be materially and adversely affected. Additionally, our future success also depends on our ability to attract, recruit and train a large number of qualified employees and retain existing key employees. According to Frost & Sullivan, in particular, the enterprise-grade AI solution market faces intense competition for skilled talent, including data scientists and engineers. We rely on our top-notch research and development team to develop our advanced technologies and solutions, and our experienced sales personnel to maintain relationships with our customers. In order to compete for talents, we may need to offer higher compensation, better training and more attractive career opportunities and other benefits to our employees, which may be costly and burdensome. We cannot assure you that we will be able to attract or retain qualified workforce necessary to support our future growth. Furthermore, any disputes between us and our employees or any labor-related regulatory or legal proceedings may divert management and financial resources, negatively impact staff morale, reduce our productivity, or harm our reputation and future recruiting efforts. In addition, our ability to train and integrate new employees into our operations may not meet the demands of our growing business. Any of the above issues related to our workforce may materially and adversely affect our operations and future growth.

**Weakened economic conditions may affect the industries which demand our solutions, including the rate of information technology spending, which could cause our client to defer or forego purchases of our solutions.**

Our business depends on the overall demand for information technology from, and on the economic health of, our current and prospective clients. In addition, the purchase of our solutions is discretionary and involves significant commitment of capital and other resources. Global economies currently face a number of economic challenges, including credit downgrades, restricted credit for businesses and customers and potentially falling demand for a variety of solutions. Recently, the financial markets have encountered some challenges and many companies are either cutting back expenditures or delaying plans to add additional personnel or systems. Our clients may suffer from reduced operating budgets, which could cause them to defer or forego purchases of our solutions. Continued challenging economic conditions, or a reduction in information technology spending even if economic conditions improve, could adversely affect our business, results of operations and financial condition in a number of ways, including longer sales cycles, reduced sales of our solutions, lower prices for our solutions and material default rates among our clients.

---

## RISK FACTORS

---

**We have incurred negative operating cash flow and there can be no assurance that we will not have net cash outflow in the future.**

We recorded net operating cash outflows of approximately RMB28.1 million and RMB60.3 million in 2024 and for the nine months ended September 30, 2025, respectively. For further details, please see the section headed “Financial Information — Liquidity and Capital Resources — Cash Flows”. The net operating cash outflows during 2024 and the nine months ended September 30, 2025 were primarily attributable to significant increases in working capital requirements, particularly trade receivables and contract fulfilment costs, as we scaled our business operations. We cannot assure you that we will not record negative operating cash flows in the future. Net cash outflows from operating activities may adversely affect our liquidity position, reduce our financial flexibility and limit our ability to obtain additional bank borrowings, which in turn may adversely affect implementation of our future business plans. Continued negative operating cash flows could signal financial instability to business partners, customers and lenders, potentially affecting our commercial relationships and ability to execute strategic initiatives. If we are unable to improve our operating cash generation or manage our working capital effectively, our business, financial condition, results of operations and prospects may be materially and adversely affected.

**We may be subject to intellectual property infringement claims, which may be expensive to defend and may disrupt our business and operations.**

We cannot be certain that our operations or any aspects of our business do not or will not infringe upon or otherwise violate any trademarks, patents, copyrights, know-how or other intellectual property rights held by third parties. We may from time to time in the future be subject to legal proceedings and claims relating to the intellectual property rights of others. In addition, there may be third-party trademarks, patents, copyrights, know-how or other intellectual property rights that are infringed by our platform, solutions or other aspects of our business without our awareness. Holders of such intellectual property rights may seek to enforce such intellectual property rights against us. If any third-party infringement claims are brought against us, we may be forced to divert management’s time and other resources from our business and operations to defend against these claims, regardless of our merits. If we are determined to have infringed upon a third-party’s intellectual property or other proprietary rights, we may be required but not limited to cease selling solutions or using services that incorporate the third-party’s intellectual property or proprietary information, pay for substantial damages, obtain a license from the holder of the infringed intellectual property, which license may not be available on reasonable terms, or at all, or redesign our technology.

If we were found to have violated the intellectual property rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual property, and we may incur licensing fees or be forced to develop alternatives of our own. As a result, our business, financial condition, results of operations and prospects may be materially and adversely affected.

---

## RISK FACTORS

---

Moreover, our competitors may seek to use intellectual property litigation as a means to gain a competitive edge. Such lawsuits often involve complex legal arguments and factual assessments, which may lead to uncertain outcomes. In addition, we may employ individuals who have previously worked with competing companies. While we take precautions, we cannot guarantee that these employees will not inadvertently or intentionally bring proprietary knowledge or trade secrets from their former employers into our work, potentially triggering legal action. Furthermore, our competitors may hold patents or trademarks that have not yet been disclosed to the public or discovered through routine intellectual property searches, which could expose us to additional infringement risks.

If we face intellectual property infringement claims, regardless of whether they are ultimately successful, the potential consequences may include:

- Significant legal costs and time-consuming defense efforts;
- Substantial financial damages payable to the affected party;
- Prohibition from using or selling solutions that incorporate the disputed intellectual property;
- The need to redesign, re-engineer, or rebrand our solutions to avoid infringement;
- Negotiations for costly royalty or licensing agreements to obtain the rights to use third-party intellectual property, potentially at unfavorable terms or unavailable altogether;
- Distraction of management resources and focus from core business operations;
- Potential loss of customer confidence, leading to termination, delay, or limitation of orders for the affected solutions until the matter is resolved.

These risks may materially impact our business, operations, and financial health, especially in the event of prolonged legal battles or unfavorable rulings.

**We may not be able to prevent others from unauthorized use of our intellectual property, which could harm our competitive position, and adversely affect our business, results of operations, financial condition and prospects.**

Preventing any unauthorized use of our intellectual property and proprietary information is difficult and costly and the steps we generally take may be inadequate to prevent infringement, misappropriation or other violation of our intellectual property and proprietary rights. Litigation may be necessary to enforce our intellectual property and proprietary rights, determine the validity and scope of our rights or those of another party, or defend against claims of infringement, misappropriation, violation or invalidity. Such litigation could be costly, time-consuming and distracting to management, resulting in a diversion of significant resources, the narrowing or invalidation of portions of our intellectual property, all of which would have an adverse effect on our business, results of

---

## RISK FACTORS

---

operations, financial condition and prospects. Our efforts to enforce our intellectual property rights may be undermined by defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights or alleging that we infringed, misappropriated or otherwise violated the counterclaimant’s own intellectual property rights. Any of our patents, copyrights, trademarks or other intellectual property rights could be challenged by others or invalidated through administrative process or litigation. We can provide no assurance that we will prevail in such litigation.

Our success also depends, in part, on our ability to protect our proprietary technologies and AI-powered solutions from competition by obtaining, maintaining and enforcing intellectual property rights, including patents. To protect our key technologies, we have implemented internal policies and employee confidentiality agreements to ensure that all R&D outputs and algorithms developed through our proprietary XK-QianAI and QianNexus AI agent matrix and AI Super Assistants remain safeguarded and traceable. In addition, we have sought formal legal protection for our core technologies. As of September 30, 2025, our main intellectual property includes 103 patents and 232 software copyright in the PRC. The process of filing and maintaining patent applications can be costly and time-consuming, and there is no assurance that we will be able to obtain or maintain adequate patent protection for all of our innovations. Moreover, we may fail to identify patentable aspects of our research and development outputs before it becomes too late to obtain patent protection.

Even when patents are granted, they may not provide meaningful protection, prevent competitors from developing comparable or substitute technologies, or confer any sustainable competitive advantage. Our competitors may attempt to design around our patents, challenge their validity, or develop alternative technologies that achieve similar results without infringing our intellectual property. The scope and enforceability of our patents, as well as those we may obtain in the future, could be challenged in courts or administrative proceedings, and we cannot assure you that our patents will be upheld. Furthermore, the duration of patent protection is inherently limited — for example, invention patents in the PRC are valid for twenty years and utility model patents for ten years from the filing date — after which competitors may freely use the underlying technology. Any of these circumstances could limit our ability to safeguard our innovations and adversely affect our competitiveness and operating results.

Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy or otherwise obtain and use our technology. Monitoring unauthorized use of our intellectual property and proprietary rights is difficult and costly, and we cannot be certain that the steps that we have taken will prevent misappropriation. From time to time, we may have to resort to litigation to enforce our intellectual property and proprietary rights, which could result in substantial costs and diversion of our resources.

---

## RISK FACTORS

---

**Obtaining and maintaining our intellectual property protection depends on compliance with various procedural, documentary, fee payment and other requirements imposed by governmental agencies, and our intellectual property protection could be reduced or eliminated for noncompliance with these requirements.**

Throughout the intellectual property application process and the lifetime of the granted rights, we are required to comply with ongoing administrative and procedural obligations, including timely payment of maintenance and renewal fees, submission of official documents, and responses to regulatory actions within prescribed deadlines. Any failure to comply with these obligations — such as delays in responding to official notifications, non-payment of periodic maintenance fees, or failure to properly execute or legalize required documents — could result in the abandonment, lapse, or invalidation of our intellectual property rights in the relevant jurisdictions.

Given that a substantial portion of our intellectual property portfolio focus on areas in big data, AI and software frameworks, the loss of protection for any significant portion of these assets could expose us to heightened competition and reduce our technological advantage. In such cases, competitors may gain access to previously protected technologies, which could materially and adversely affect our business, competitive position, and financial condition.

**Changes in intellectual property law could diminish the value of intellectual properties in general, thereby impairing our ability to protect our solutions.**

The scope and strength of intellectual property protection are inherently uncertain and may change over time. Amendments to applicable laws, new judicial interpretations, or shifts in enforcement practices in the PRC or other jurisdictions could reduce the value of our existing intellectual property rights and weaken our ability to safeguard our proprietary technologies. Any such changes may also increase the difficulty and cost of obtaining, maintaining, defending, or enforcing our patents, software copyrights, or trademarks.

Given that a significant portion of our intellectual property relates to AI algorithms, data processing systems, and enterprise software, changes in the legal framework governing patentability, software protection, or data-related intellectual property could materially affect our ability to protect our solutions. In addition, future patent applications may be narrowed, delayed, or reinterpreted during examination or after issuance, which may reduce the level of protection available to our technologies and allow competitors to develop similar or substitute solutions.

As a result, any material change to the legal or regulatory environment for intellectual property could adversely impact the value of our proprietary technologies, diminish our competitive advantage, and negatively affect our business operations and prospects.

---

## RISK FACTORS

---

**We may be unable to protect the confidentiality of our trade secrets, and we may be subject to claims that our employees or third parties have wrongfully used or disclosed alleged trade secrets owned by others.**

In addition to our registered intellectual property rights, we rely on trade secrets and proprietary know-how — such as algorithms, data processing methodologies, model architectures, and other confidential technical information — to protect our solutions and maintain our competitive position. We seek to safeguard these trade secrets through internal management policies and contractual measures, including non-disclosure and confidentiality agreements and non-compete covenants with employees, consultants, and business partners who have access to such information.

Despite these efforts, we cannot guarantee that our employees, contractors, or other third parties will not intentionally or inadvertently use or disclose our confidential information without authorization. Any unauthorized disclosure could enable competitors to gain access to our proprietary technologies and diminish the value of our trade secrets, even if we take legal action against those responsible.

Furthermore, to the extent that our employees or business partners use intellectual property owned by others in the course of their work for us, disputes may arise as to the ownership and rights to related inventions or know-how. Protecting trade secrets is inherently difficult, and misappropriation can occur despite reasonable preventive measures. Enforcing claims of trade secret theft or misuse is typically expensive, time-consuming, and unpredictable in outcome. Any such incidents could compromise our technological advantage, harm our reputation, and materially and adversely affect our business and operations.

**Our sales and marketing efforts are crucial to our business, but there is no guarantee that our efforts will continue to be successful.**

Our sales and marketing efforts are critical to the growth and success of our business. However, there is no guarantee that these efforts will continue to be successful or that they will yield the expected results. The effectiveness of our sales and marketing activities is influenced by several factors, including the competitive landscape, market demand, and customer perceptions of the value of our solutions.

As we expand our customer base across a variety of industry verticals, our sales efforts can be intensive, requiring significant time and resources from the initial customer engagement to the final sale. Our sales process often involves evaluating the specific business needs of potential clients, educating them about the technical capabilities and advantages of our AI-powered integrated solutions, and working to align our solutions with their unique operational environments. Given the complexity of our solution offerings, the sales cycle is typically long and unpredictable. We may invest substantial resources in these efforts, but we cannot assure you that these efforts will always result in successful sales or that customers will deploy our solutions effectively. Moreover, customers’ ability to fully utilize our solutions and achieve optimal outcomes depends on proper implementation, training, and support, which we cannot guarantee.

---

## RISK FACTORS

---

Our results of operations may fluctuate due to the dynamic nature of our sales cycle, which often involves extended evaluation and integration processes. Additionally, the success of our sales and marketing efforts is heavily dependent on our ability to attract, motivate, and retain qualified sales and marketing professionals with deep industry knowledge, technical expertise, and strong industry relationships. However, the competition for experienced sales and marketing talent is intense, and if we are unable to attract or retain sufficient qualified personnel, our ability to scale our solutions and commercialize them effectively could be adversely impacted.

Our sales efforts also depend on the decisions made by enterprise customers, who may base their purchasing decisions on a wide range of factors beyond the features of our solutions, including projections of business growth, economic conditions, budget allocations, cost-saving expectations, and preferences for internally developed solutions. There can be no assurance that we will successfully close sales with all potential customers or that the revenue generated will justify the resources invested. If our sales efforts fail to meet our revenue expectations, our business, financial condition, and prospects could be materially and adversely affected.

**Our business is susceptible to misconduct, improper business practices and other fraudulent conduct by our employees, business partners and clients.**

Our business involves interactions between our employees, business partners and clients. Misconduct and improper business practices by our employees, business partners and clients could subject us to liability or negative publicity. While we have adopted codes of conduct for our employees, entered into agreements and implemented detailed policies with clients and partners and procedures to prohibit misconduct, improper business practices and other fraudulent conduct in performing their duties, we cannot assure you that our employees, business partners and clients will always comply with these codes, agreements, policies and procedures nor that the precautions we take to detect and prevent misconducts will always be effective.

If any of our employees engage in any misconduct, illegal or suspicious activities, we could be subject to legal claims and liabilities, and our reputation and business, results of operations, financial condition and prospects could be adversely affected. Moreover, we may be held responsible for the actions of our employees, even if such actions are outside the scope of their duties or contrary to our policies and procedures. This could result in regulatory or legal action against us, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

In addition, any illegal, fraudulent, corrupt or collusive activity by our employees, suppliers, customers or other third parties, including, but not limited to, those in violation of anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws, could also subject us to negative publicity that could severely damage our brand and reputation and subject us to significant financial and other liabilities to third parties and fines and other penalties imposed by government authorities. Furthermore, if we cannot effectively monitor and prevent fraudulent behavior of customers, it may cause increased insurance claims or losses, which will impact the profitability of our clients. This,

---

## RISK FACTORS

---

in turn, could lead to an investigation by clients that damages our relationship with them, decreased demand for our solutions and a reduction in our market share, which could materially and adversely affect our business, results of operations, financial condition and prospects.

**We may fail to make the necessary desirable strategic alliance, and we may not be able to achieve the benefits we expect from the alliances.**

We may pursue strategic alliances that are supplemental to our business and operations, including opportunities that can help us further expand our solutions offerings and improve our technology system. However, strategic alliances with third parties could subject us to a number of risks, including risks associated with sharing proprietary information, non-performance or default by counterparties, and increased expenses in establishing these new alliances, any of which may materially and adversely affect our business. In addition, we may have limited ability to control or monitor the actions of our strategic partners. To the extent that a strategic partner suffers any negative publicity as a result of its business operations, our reputation may be negatively affected by virtue of our association with such party. The costs of identifying and consummating strategic alliances may be significant and subsequent integrations of new companies, businesses, assets and technologies would require significant managerial and financial resources and could result in a diversion of resources from our existing business, which in turn could have an adverse effect on our growth and business operations.

**We, our directors, management, employees and shareholders and their affiliates may be subject to litigation, investigation and other proceedings, or our shareholders may have conflicting position, from time to time, which could have a material and adverse impact on our reputation, and adversely affect our business, results of operations, financial condition and prospects.**

From time to time, we have been, and may in the future be, subject to lawsuits brought against us, in matters relating to intellectual property rights, contractual disputes, employment related controversies and other legal and administrative proceedings or fines relating to our business operations. Lawsuits against us may also generate negative publicity that significantly harms our reputation, which may adversely affect our ability to expand our business. In addition to the related cost, managing and defending litigation can significantly divert management’s attention from operating our business. We may also need to pay damages or settle lawsuits with a substantial amount of cash. If any of these happens, our liquidity and business, financial condition, results of operations and prospects could be materially and adversely affected. In addition, our directors, management, employees and shareholders and their affiliates may from time to time be subject to litigation, regulatory investigations, proceedings and/or negative publicity or otherwise face potential liability and expense in relation to commercial, labor, employment, securities or other matters, which could adversely affect our reputation. We cannot assure you that our shareholders’ position will be aligned at all times. Any of these circumstances may adversely affect our business, financial condition, results of operations and prospects.

---

## RISK FACTORS

---

**Our limited insurance coverage could expose us to significant costs and business disruption.**

We believe we maintain insurance policies in line with industry standards. We do not maintain business interruption insurance, key-man life insurance or litigation insurance. Any uninsured occurrence of business disruption, litigation or natural disaster, or significant damages to our uninsured equipment or facilities could have a material adverse effect on our results of operations. Our current insurance coverage may not be sufficient to prevent us from any loss and there is no certainty that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected. If such risk materializes, we may also suffer substantial losses as we do not have insurance coverage.

**Our risk management and internal control systems may not be adequate or effective.**

We have designed and implemented risk management and internal control systems comprising organizational framework policies and procedures, financial reporting processes, compliance rules, and risk management measures we believe are appropriate for our business operations. While we seek to improve our risk management and internal control systems on a continuous basis, we cannot assure you that these systems are sufficiently effective in ensuring the prevention of fraud. See “Business — Risk Management and Internal Control.” Since our risk management and internal control systems depend on implementation by our employees, we cannot assure you that our employees or other related third parties are sufficiently or fully trained to implement these systems, or that their implementation will be free from human error or mistakes. If we fail to timely update, implement, and modify, or fail to deploy sufficient human resources to maintain our risk management policies and procedures, our business, results of operations, financial condition and prospects could be materially and adversely affected.

**We may require additional capital to pursue our business objectives and respond to business opportunities, challenges, or unforeseen circumstances. If we are unable to generate sufficient cash flows or if capital is not available, our business, results of operations, financial condition and prospects could be adversely affected.**

We may require additional cash resources to support our business operation due to changed business conditions, strategic acquisitions or other future developments. Our ability to obtain additional capital depends on factors, including, but not limited to:

- our market position and competitiveness in the enterprise-grade AI solutions market;
- our overall financial condition, results of operations and future profitability;
- general market conditions for financing activities in China; and
- general economic and administrative conditions in China and internationally.

---

## RISK FACTORS

---

If our capital need is materially different from those currently planned, we may initiate financing activities for additional capital sooner than anticipated. Such financing may not be available on favorable terms on a timely basis, or at all. If we cannot obtain adequate capital on terms favorable to us, or at all, we may not be able to continue our operations, R&D and sales and marketing efforts, take advantage of future opportunities or respond to competitive pressures. Under these circumstances, our business, financial condition, results of operations and prospects may be adversely affected.

**Our financial assets at fair value through profit or loss are subject to fair value changes and not principal-protected, which may affect our financial positions in the future**

As of September 30, 2025, our investments in wealth management products issued by a PRC non-bank financial institution at fair value through profit or loss amounted to approximately RMB19.1 million. See “Financial Information — Discussion Of Certain Items From The Consolidated Statements Of Financial Position — Financial assets at FVTPL” for further details. The fair value of our investments in wealth management products issued by financial institution at fair value through profit or loss is measured based on assumptions that are not supported by observable market values (i.e. significant unobservable inputs). During the Track Record Period, fair value of our investments in wealth management products issued by financial institution at fair value through profit or loss was determined with reference to unobservable input which is estimated return and was categorised as level 3 of fair value measurement. See Note 4.3 to the Accountant’s Report in Appendix I to this document for further details. Changes in this unobservable inputs will affect the estimated fair value of our investments in wealth management products issued by financial institution at fair value through profit or loss at the end of each of the financial reporting year. Given the inherent uncertainties in measuring the fair value of our investments in wealth management products issued by financial institution at fair value through profit or loss, any material and adverse changes in fair value could materially and adversely affect our financial position and results of operations.

The wealth management products are placed with financial institution in the PRC and are long-term investments with no predetermined or guaranteed return and are not principal-protected. The wealth management products are determined by reference to the fair value of underlying financial instruments, including listed shares, bonds, debentures and other financial assets. Any adverse changes in fair value of underlying financial instruments could materially and adversely affect our financial position and results of operations.

**We are subject to credit risk related to defaults of customers, and any significant default on our receivables could materially and adversely affect our liquidity, financial condition and results of operations.**

We are exposed to credit risk related to defaults of our customers. As of December 31, 2023, 2024, and September 30, 2025, our trade receivables amounted to RMB72.3 million, RMB153.4 million and RMB172.1 million, respectively. We may not be able to collect all such trade receivables due to a variety of factors that are beyond our control. For example, if the relationship between us and any of our customers is terminated or deteriorated, or if

---

## RISK FACTORS

---

any of our customers experience financial difficulties in settling the trade receivables, our corresponding trade receivables recoverability might be adversely affected. As the amount of provisions made on our trade receivables are recorded as expenses on our results of operations, if we are not able to effectively manage the credit risk associated with our trade receivables, our results of operations may be materially and adversely affected.

**We are subject to the risks associated with international trade policies, geopolitics and trade protection measures, and our business, financial condition and results of operations could be adversely affected.**

The U.S. Department of Commerce, Bureau of Industry and Security (“BIS”) administers the Export Administration Regulations (the “EAR”), which govern the export, re-export, and in-country transfer of items subject to U.S. jurisdiction. Items subject to the EAR include, among other things, U.S.-origin items, items of non-U.S.-origin that incorporate controlled U.S.-origin content exceeding the applicable de minimis threshold, and items of non-U.S.-origin that are classified on the Commerce Control List and are the direct product of certain U.S.-origin technology or software. BIS maintains the Entity List, which identifies foreign persons whose activities are believed to be contrary to U.S. national security or foreign policy interests. Supplying items subject to the EAR to Entity List parties without a license from the BIS is prohibited, and such licenses are generally subject to a presumption of denial.

During the Track Record Period, certain of our customers and a supplier were included on the Entity List administered by BIS. To the extent that items subject to the EAR are involved in our transactions with such parties, we could be exposed to restrictions under U.S. export control laws. However, as (i) we are a PRC-incorporated company with no U.S. nexus, including no U.S. subsidiaries, personnel, or infrastructure; (ii) our solutions are developed and delivered entirely within the PRC and do not incorporate U.S.-origin content; and (iii) our transactions with such parties are of a commercial nature and do not involve items classified on the Commerce Control List or any military end-use, our business activities should not implicate the EAR. Notwithstanding the foregoing, we cannot assure you that the U.S. government will not expand the scope of export controls, that additional customers or suppliers will not be added to the Entity List, or that BIS will not take a different view as to whether our solutions have a U.S. nexus, any of which could require us to obtain licenses, restrict our ability to transact with certain customers or suppliers, or subject us to enforcement actions, which could materially and adversely affect our business, financial condition and results of operations.

**We may experience discontinuation, reduction or delay of any preferential tax treatments or government grants.**

Our subsidiaries enjoy various types of preferential tax treatment according to the prevailing PRC tax laws. Our subsidiaries, Jinan Zhong’an Xinke Technology Co., Ltd. and Beijing Yirong Technology Co., Ltd., are recognized as small low-profit enterprises which are subject to a reduced EIT rate of 20%. Such preferential tax treatments are subject for transformation and termination. If our preferential tax treatments are revoked, become

---

## RISK FACTORS

---

unavailable or if the calculation of our tax liability is successfully challenged by the PRC tax authorities, the discontinuation of any of the various types of preferential tax treatment we enjoy could materially and adversely affect our results of operations.

We also receive grants from local governments, which vary from year to year. In 2023 and 2024 and the nine months ended September 30, 2025, we recorded government grants amounting RMB0.4 million, RMB0.3 million, and RMB1.4 million, respectively. Local governments may decide to adjust such grants in the future. We cannot assure you of the continued availability of the government grants. Any reduction, cancelation, or repayment of government grants could adversely affect our business, financial condition and results of operations.

### **RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE**

**Any failure to obtain or maintain requisite approvals, licenses or permits applicable to our business may have a material and adverse effect on our business, results of operations, financial condition and prospects.**

Our business is subject to regulation, and we are required to obtain applicable licenses, permits and approvals from different PRC regulatory authorities in order to conduct or expand our business. We have obtained and maintained all licenses and permits material to our business as described above as required by the PRC regulatory authorities. However, we cannot assure you that we will be able to maintain existing licenses and permits or renew any of them when their current term expires. If we are unable to maintain one or more of the current licenses and permits, or obtain such renewals, our business, results of operations, financial condition and prospects could be materially and adversely impacted.

Furthermore, if the relevant governmental authorities consider that we are operating without the proper approvals, licenses or permits, or the relevant governmental authorities promulgate new laws and regulations that require additional approvals or licenses or impose additional restrictions on the operation of any part of our business and we are not able to obtain such approvals, licenses or permits or adjust our business model in a timely manner, they have the power, among other things, to levy fines, confiscate our income, revoke our licenses, and require us to discontinue our relevant business. Any of these actions by the relevant governmental authorities may have a material adverse effect on our business, results of operations, financial condition and prospects.

**Failure to fully adapt to development in the economic and social conditions, as well as government policies, laws and regulations, and industry practice guidelines in China could materially and adversely affect our business, financial condition, results of operations and prospects.**

All of our business assets are located in China and all of our sales and revenue is currently derived from China. Accordingly, our business, financial condition, results of operations and prospects are subject to the economic, administrative and legal conditions in China. Administrative and economic policies of the PRC government could affect our business and financial condition. Failure to fully adapt to these developments in

---

## RISK FACTORS

---

administrative and economic policies may adversely affect our growth. In recent years, the PRC government implemented a series of laws, regulations and policies with respect to, among other things, compliance operation, and supervision and administration of companies in our industry. See “Regulatory Overview”. Laws, regulations and policies related to our industry will continue to evolve and undergo adjustments, compliance to which may incur additional costs for us. If we cannot fully comply with these laws, regulations and policies, our business, financial condition, results of operations and prospects may be adversely affected.

**Fluctuations in the value of the Renminbi and other currencies may have a material adverse impact on your investment.**

During the Track Record Period, substantially all of our revenues and expenditures were denominated in Renminbi, while the net [REDACTED] from the [REDACTED] will be in Hong Kong dollars. Fluctuations in the exchange rate between the Renminbi and the Hong Kong dollar will affect the relative purchasing power in Renminbi terms of the [REDACTED] from the [REDACTED].

Movements in Renminbi exchange rates are affected by, among other things, changes in political and economic conditions and China’s foreign exchange regime and policy. With the development of the foreign exchange market and progress towards interest rate liberalization and renminbi internationalization, the PRC government may in the future announce further changes to the exchange rate system, and we cannot assure you that the renminbi will not appreciate or depreciate significantly in value against other currencies in the future. It is difficult to predict how market forces or relevant government policies may impact the exchange rate between the renminbi and other currencies in the future.

To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risks. In any event, the availability and effectiveness of these hedges may be limited and we may not be able to hedge our exposure successfully, or at all.

**Regulatory restrictions on the remittance of Renminbi into and out of the PRC and currency conversion may limit our foreign exchange transactions, including our ability to pay dividends and other obligations, and may affect the value of your investment.**

Currently, the conversion and remittance of foreign currencies from RMB are subject to PRC foreign exchange regulations. It cannot be guaranteed that we will have sufficient foreign exchange to meet our foreign exchange requirements. Under the current PRC foreign exchange regulations, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business. Foreign exchange transactions under the capital account conducted by us, however, are subject to prior approval or registration procedures with the SAFE.

---

## RISK FACTORS

---

Under existing foreign exchange regulations, following the completion of the [REDACTED], we will be able to pay dividends in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, the foreign exchange policies regarding payment of dividends in foreign currencies may change from time to time in the future. In addition, any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to shareholders or to satisfy any other foreign exchange requirements. If we fail to obtain approval or other procedure from the SAFE to convert Renminbi into any foreign exchange for any of the above purposes, our capital expenditure plans, and even our business, operating results and financial condition, may be materially and adversely affected.

### **Holders of our H Shares may be subject to PRC income tax obligations.**

Under the current PRC tax laws and regulations, non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to the dividends paid to them by us and the gains realized upon the sale or other disposition of H Shares.

Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for the income derived in China under the ITT Law and its implementation guidelines. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between China and the jurisdiction in which the foreign individual resides reduce or provide an exemption for the relevant tax obligations. However, pursuant to the Circular on Certain Policy Questions Concerning Individual Income Tax (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》) (Cai Shui Zi [1994] No. 020) issued by the MOF and SAT on May 13, 1994, the income gained by individual foreigners from dividends and bonuses of enterprise with foreign investment are exempted from individual income tax for the time being. In addition, under the ITT Law and its implementation regulations, non-PRC resident individual holders of H shares are subject to individual income tax at a rate of 20% on gains realized upon the sale or other disposition of H shares. However, pursuant to Circular of Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) (Cai Shui Zi [1998] No. 61) issued by the MOF and the SAT on March 30, 1998, from January 1, 1997, the income of individuals from the transfer of the shares of listed enterprises continues to be exempted from individual income tax.

As of the Latest Practicable Date, no aforesaid provisions have expressly provided that individual income tax shall be levied non-PRC resident individual holders on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges. However, there is no assurance that the PRC tax authorities will not change these practices which could result in levying income tax on non-PRC resident individual holders on gains from the sale of H shares.

For non-PRC resident enterprises that do not have establishments or premises in China, and for those have establishments or premises in China but whose income is not related to such establishments or premises, under the EIT Law and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the

---

## RISK FACTORS

---

sale or other disposition of H Shares are subject to PRC enterprise income tax at a 10% rate. In accordance with the Circular on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) (Guo Shui Han [2008] No. 897) issued by SAT on November 6, 2008, the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares will be 10% and we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including HKSCC Nominees). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' approval.

Despite the arrangements mentioned above, the PRC tax laws and regulations as well as the interpretation and application of such laws and regulations may change from time to time in the future which may adversely affect the value of your investment in our H Shares.

**It may be difficult to effect service of process upon us or our Directors, executive officers who reside in China or to enforce against them in China any judgments obtained from non-PRC courts.**

All of our executive Directors and executive officers reside within China, and substantially all of our assets are located within China. Similar to the difficulties faced by most of the countries around the world on effecting service of process and enforcing judgment obtained from foreign countries, it may be difficult for investors to effect service of process upon us or our executive Directors and officers inside China or to enforce against us or them in China any judgments obtained from non-PRC courts. China does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts of many other countries and regions. Therefore, recognition and enforcement in China of judgments of a court in any of these non-PRC jurisdictions in relation to any matter not subject to a binding arbitration provision may be difficult or impossible.

**Our leased property interest may be defective and our right to lease the properties may be affected by such defects challenged, which could cause significant disruption to our business.**

Under PRC law, all lease agreements are required to be registered with the relevant authorities. As of September 30, 2025, we leased 10 premises in China, and not all of these premises have completed the registration of our Group's leases with the relevant authorities. Failure to complete these required registrations may expose our landlords, lessors and us to potential monetary fines. If these registrations are not obtained in a timely manner or at all, we may be subject to monetary fines or may have to relocate our offices and incur the associated losses.

Certain lessors of our leased properties in PRC have not provided us with valid property ownership certificates or any other documentation proving their right to lease those properties to us. If our lessors are not the owners of the properties or they have not

---

## RISK FACTORS

---

obtained consents from the owners or their lessors or permits from the relevant government authorities, and if a third party disputes the ownership or tenancy of the premises, this may affect our continued tenancy of the premises.

We lease properties for our offices. Certain lessors have not provided us with valid ownership certificates or authorization of sublease for our leased properties. As a result, there is a risk that such lessors may not have the right to lease such properties to us, in which case the relevant lease agreements may be deemed invalid and we may face challenges from the property owners or other third parties regarding our right to occupy and use the premises.

In addition, we may not be able to extend or renew such leases on commercially reasonable terms, if at all. For instance, we compete with other businesses for premises at certain locations of desirable sizes. Rental payments may significantly increase as a result of the high demand for the leased properties. Moreover, we may not be able to extend or renew such leases upon expiration of the current term and may therefore be forced to relocate the affected operations. This could disrupt our operations and result in significant relocation expenses. We may not be able to locate desirable alternative sites for our offices. For the leased sites registered as the address of our subsidiaries, we may face the risk of being included in the list of enterprises with abnormal business operations if we fail to extend such leases or relocate the registered address and file such leases with the local authorities. The occurrence of such events could materially and adversely affect our business, financial condition, results of operations and prospects.

**We may be subject to additional social insurance fund and housing provident fund contributions and late fees or fines imposed by relevant regulatory authorities.**

We are required by PRC laws and regulations to pay various statutory employee benefits including social insurance and housing funds, to designated government agencies for the benefit of our employees. The relevant government agencies may examine whether an employer has made adequate payments of the requisite statutory employee benefits, and employers who fail to make adequate payments may be subject to late payment fees, fines and/or other penalties.

During the Track Record Period, we were not in strict compliance with the requirements for social insurance and housing provident fund contributions in relation to some of our PRC employees. As attested by the relevant PRC authorities, during the Track Record Period, we had not been subject to any material administrative penalties, fines or other regulatory actions in relation to the above matters. However, we cannot assure you that our historical and current practices will at all times be deemed fully compliant by the relevant PRC authorities. If the relevant PRC authorities require us to make supplemental social insurance and housing fund contributions, or impose fines or other regulatory measures in connection with our historical practices, we may be required to settle any shortfall within a prescribed time period and our business, financial condition, results of operations and prospects may be adversely affected.

---

## RISK FACTORS

---

**We are required to complete filing procedures with the CSRC for the [REDACTED] and [REDACTED] of our Shares on the Hong Kong Stock Exchange.**

On February 17, 2023, the CSRC released the Trial Administrative Measures for Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “**Trial Measures**”), together with five interpretative guidelines thereof, which became effective on March 31, 2023. The Trial Measures comprehensively improved and reformed the prior regulatory regime for overseas offering and listing of securities of PRC domestic companies, and had regulated both direct and indirect overseas offering and listing of PRC domestic companies’ securities by adopting a filing-based regulatory regime. According to the Trial Measures, we, as a PRC domestic company seeking to [REDACTED] and [REDACTED] securities in overseas markets, are required to fulfill the filing procedure with the CSRC within three (3) working days after submitting the listing application documents to the overseas supervisory authorities and report relevant information.

Furthermore, we cannot assure you that any new rules or regulations promulgated in the future will not impose additional requirements or restrictions on us or our financing activities. We may not be able to comply with such additional requirements in a timely manner or at all. In addition, we may be subject to sanctions by the CSRC or other PRC regulatory authorities for failure to seek CSRC filing or other government authorization for this [REDACTED], and these regulatory authorities may impose fines and penalties on us, limit our operating activities in the PRC, limit our ability to pay dividends outside of the PRC, delay or restrict the repatriation of the [REDACTED] from the [REDACTED] into the PRC or take other actions to restrict our financing activities, which could have a material adverse effect on our business.

**We are subject to a variety of laws and regulations regarding cybersecurity, data security and personal information protection or the use of the internet, and any failure to comply with applicable laws and regulations could have a material adverse effect on our business, financial condition and results of operations.**

We may become subject to a variety of laws and regulations in the PRC regarding cybersecurity, data security and personal information protection. These laws and regulations are continuously evolving and developing, of which the interpretation and application are also evolving and subject to change that may affect us.

The integrity and protection of our clients and company data is critical to our business. Our clients expect that we will adequately protect their personal information. We are required by applicable laws to keep this personal information strictly confidential and to take adequate security measures to safeguard such information.

On November 7, 2016, the Standing Committee of the National People’s Congress of China (“**SCNPC**”) promulgated the Cybersecurity Law of the People’s Republic of China (“**Cybersecurity Law**”), which came into effect on June 1, 2017. According to the Cybersecurity Law, internet operators shall not collect user personal information without the user’s consent, and may only collect user personal information necessary for providing services. Operators are also obliged to provide security maintenance for their products and

---

## RISK FACTORS

---

services, and should comply with the provisions on personal information protection in relevant laws and regulations. The SCNPC further revised the PRC Cybersecurity Law on October 28, 2025, which became effective on January 1, 2026. The revised PRC Cybersecurity Law, amongst others, increases the penalties under certain circumstances and expands the extraterritorial application for entities, organizations, or individuals outside the PRC engaging in activities that endanger the cybersecurity of the PRC. On June 10, 2021, the SCNPC promulgated the “Data Security Law of the People’s Republic of China”, which came into effect on September 1, 2021. It requires data collection to be carried out in a legal and appropriate manner, and introduces a data classification and hierarchical protection system. On August 20, 2021, the SCNPC promulgated the “Personal Information Protection Law of the People’s Republic of China” (“**Personal Information Protection Law**”), which came into effect on November 1, 2021. Personal Information Protection Law further detailed the general rules and principles on personal data processing and further increased the potential liability of personal information processors. For more details, please see “Regulatory Overview — Laws and Regulations on Cybersecurity, Data Security and Personal Information Protection.”

On December 28, 2021, the CAC and other 12 PRC regulatory authorities jointly revised and promulgated the Measures for Cybersecurity Review (“**Revised Measures for Cybersecurity Review**”), which became effective on February 15, 2022. The Revised Measures for Cybersecurity Review provides that entities meeting certain standards shall proactively apply for a cybersecurity review. For more details, please see “Regulatory Overview — Laws and Regulations on Cybersecurity, Data Security and Personal Information Protection.” As of the Latest Practicable Date, we have not received any official notification from relevant regulatory authorities designating our network facilities and information systems as Critical Information Infrastructure (“**CII**”), and therefore we are not deemed as a CII operator. Our proposed [REDACTED] is [REDACTED] on the Hong Kong Stock Exchange rather than [REDACTED] “in a foreign country”. Nevertheless, the Revised Measures for Cybersecurity Review grant the governmental authorities the discretion to initiate a cybersecurity review if they deem any data processing activity affects or may affect national security. As of the Latest Practicable Date, we had not received any notice that we are required to conduct a cybersecurity review under the Revised Measures for Cybersecurity Review or our data processing activity affects or may affect national security. However, given there has been no further explanation or interpretation for “affect or may affect national security” under the Revised Measures for Cybersecurity Review, we cannot rule out the possibility that the relevant government authorities may conduct cybersecurity review on us accordingly. If a cybersecurity review for any of our activities is required, we will actively cooperate with the CAC to conduct such cybersecurity review. Any failure to obtain such approval or clearance from the regulatory authorities could materially constrain our liquidity and have a material adverse impact on our business operations and financial results.

On July 7, 2022, the CAC promulgated the “Measures for the Security Assessment of Cross-border Data Transfer”, which came into effect on September 1, 2022. On March 22, 2024, the CAC promulgated the Provisions on Promoting and Regulating Cross-Border Data Flow, which was implemented on March 22, 2024. The above measures and provisions provide that the cross-border transfer of personal information and important data by data

---

## RISK FACTORS

---

processor meeting certain volume thresholds or other standards as provided therein shall apply for security assessment, file with a standard contract for cross-border data transfer or obtain a personal information protection certification. Complying with these laws and requirements could cause us to incur substantial expenses or require us to alter or change our practices in ways that could harm our business. Additionally, as there may be further interpretations of such measures, we cannot assure you that we will be able to comply with such regulations in all respects, and we may be ordered to rectify or terminate any actions that are deemed illegal by regulatory authorities.

While we take various measures, endeavor to comply with all applicable data privacy and protection laws and regulations, there is no guarantee that our current security measures, operation and those of our third-party service providers may always be adequate for the protection of our users, employee or company data against security breaches, cyberattacks or other unauthorized access, which could result in loss or misuse of such data, interruptions to our service system, diminished user experience, loss of user confidence and trust and impairment of our technology infrastructure and harm our reputation and business, resulting in fines, penalties and potential lawsuits.

In addition, we expect to continue facing uncertainty as to whether our compliance measures will remain adequate under rapidly evolving global and PRC data protection, privacy, and cybersecurity regimes. Any actual or perceived failure to comply with applicable laws and regulations could result in reputational damage, regulatory investigations, or proceedings initiated by government authorities, individuals, or other stakeholders. PRC regulatory authorities may also conduct various reviews and inspections on our business operations from time to time. If any non-compliance incidents in our business operations are identified, we may be required to take certain rectification measures in accordance with applicable laws and regulations, or we may be subject to other regulatory actions such as administrative penalties. Such actions may expose us to substantial civil or criminal liabilities, administrative penalties, or negative publicity, and could require us to modify our business practices, increase compliance expenditures, or suspend certain operations. Moreover, complying with relevant regulatory requirements may result in limitation to our scope of services, reduction in user engagement or loss of users, diversion of our management team’s attention and increased operational costs and expenses, and our existing and potential relationships with clients, vendors, and other partners may be adversely affected by proceedings or heightened data protection obligations imposed on them under applicable laws. Furthermore, any incident involving unauthorized access, leakage, or misuse of personal data could result in significant legal and financial exposure, and cause lasting harm to our reputation, business operations, financial condition, and prospects.

---

## RISK FACTORS

---

### RISKS RELATED TO THE [REDACTED]

**There has been no prior public market for our Shares and an active trading market may not develop.**

Prior to the [REDACTED], there has not been a public market for our Shares. An active public market may not develop or be sustained after the [REDACTED]. The initial [REDACTED] for our Shares was the result of, and the [REDACTED] will be the result of, negotiations between us and the [REDACTED] on behalf of the [REDACTED] and may not be indicative of prices that will prevail in the trading market after the [REDACTED].

We have applied to [REDACTED] and [REDACTED] our Shares on the Stock Exchange. However, even if approved, being [REDACTED] on the Stock Exchange does not guarantee that an active trading market for our Shares will develop or be sustained. If an active market for our Shares does not develop after the [REDACTED], the market price and liquidity of our Shares may be adversely affected. As a result, you may not be able to resell your Shares at prices equal to or greater than the price paid for the Shares in the [REDACTED].

The market price and trading volume of our Shares may be volatile, which could result in substantial losses for investors purchasing Shares in the [REDACTED]. The market price of our Shares may fluctuate significantly and rapidly as a result of a variety of factors, many of which are beyond our control, including:

- actual and anticipated variations in our results of operations;
- changes in securities analysts’ estimates or market perception of our financial performance;
- announcement by us of significant acquisitions, dispositions, strategic alliances or joint ventures;
- recruitment or departure of key personnel by us or our competitors;
- market developments affecting us or the industry in which we operate;
- the operating and stock price performance of other companies, other industries and other events or factors beyond our control;
- fluctuations in trading volumes or the release of lock-up or other transfer restrictions on our outstanding Shares or sales of additional Shares by us; and
- general economic, political and stock market conditions in Mainland China, Hong Kong SAR and elsewhere in the world.

Moreover, in recent years, stock markets in general have experienced significant price and volume fluctuations, some of which have been unrelated or disproportionate to the operating performance of the listed companies. These broad market and industry fluctuations may adversely affect the market price of our Shares.

---

## RISK FACTORS

---

**You will experience immediate dilution and may experience further dilution if we issue additional Shares or other equity securities in the future.**

As the [REDACTED] of our Shares is higher than the consolidated net tangible assets per share immediately prior to the [REDACTED], purchasers of our Shares in the [REDACTED] will experience an immediate dilution in [REDACTED] adjusted consolidated net tangible assets. Our existing Shareholders will receive an increase in the [REDACTED] adjusted consolidated net tangible asset value per share of their shares. In addition, holders of our Shares may experience further dilution of their interest if we issue additional shares in the future to raise additional capital.

**Our Controlling Shareholders have substantial influence over the Company, and our Controlling Shareholders’ interests may not always be aligned with the interests of our other Shareholders.**

Our Controlling Shareholders collectively have significant influence in determining the outcome of any corporate transaction or other matter submitted to the Shareholders for approval, including but not limited to mergers, privatizations, consolidations and the sale of all, or substantially all, of our assets, election of directors, and other significant corporate actions. Immediately following the completion of the Share Subdivision and the [REDACTED], the group of our Controlling Shareholders will be together entitled to control in aggregate approximately [REDACTED] of our total issued share capital and thus remain as a group of Controlling Shareholders upon [REDACTED]. The interests of the group of our Controlling Shareholders might differ from the interests of our other Shareholders. In the event that the group of our Controlling Shareholders cause us to pursue strategic objectives that conflict with the interests of our other Shareholders, our other Shareholders could be disadvantaged and their interests could be damaged. Any conflict of interest between the group of our Controlling Shareholders and our other Shareholders may also materially and adversely affect the aspects such as the decision and implementation of our business plans, which may in turn affect our operations and prospects.

**You should read the entire document carefully and we strongly caution you not to place any reliance on any information contained in press and media coverage regarding us and the [REDACTED].**

There may be, subsequent to the date of this Document but prior to the completion of the [REDACTED], press and media coverage regarding us and the [REDACTED], which may contain, among other things, certain financial information, projections, valuations and other forward-looking information about us and the [REDACTED]. We have not authorized the disclosure of any such information in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this Document, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of the information contained in this Document only and should not rely on any other information.

---

## RISK FACTORS

---

You should rely solely upon the information contained in this Document, the [REDACTED] and any formal announcements made by us in Hong Kong in making your investment decision regarding our Shares. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding our Shares, the [REDACTED] or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such data or publication. Accordingly, prospective investors should not rely on any such information, reports or publications in making their decisions as to whether to invest in our [REDACTED]. By applying to purchase our Shares in the [REDACTED], you will be deemed to have agreed that you will not rely on any information other than that contained in this Document and the [REDACTED].

**Forward-looking statements contained in this Document are subject to risks and uncertainties.**

This Document contains forward-looking statements with respect to our business strategies, operating efficiencies, competitive positions, and growth opportunities for existing operations, plans and objectives of management, certain [REDACTED] information and other matters. The words “will,” “expect,” “anticipate,” “estimate,” “believe,” “going forward,” “ought to,” “may,” “seek,” “should,” “intend,” “plan,” “projection,” “could,” “vision,” “goals,” “objective,” “target,” “schedule,” “predict,” “aim,” “intend,” “consider,” “would,” “continue” and “outlook” and the negative of these terms and other similar expressions identify a number of these forward-looking statements. These forward-looking statements, including, among others, those relating to our future business prospects, capital expenditure, cash flows, working capital, liquidity and capital resources are necessary estimates reflecting the best judgment of our Directors and management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a result, these forward-looking statements should be considered in light of various important factors, including those set out in “Risk Factors” in this Document. Accordingly, such statements are not a guarantee of future performance and you should not place undue reliance on any forward-looking information. All forward-looking statements in this Document are qualified by reference to this cautionary statement.

**Certain facts, forecasts and statistics contained in this Document are derived from various official or third-party sources and may not be accurate, reliable, complete or up to date.**

Facts, forecasts and statistics in this Document relating to the human resources solutions market are obtained from third-party reports, either commissioned by us or publicly accessible, and other publicly available sources. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the [REDACTED]. We believe that the sources of this information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by us, the Joint Sponsors, [REDACTED], any of their respective directors and advisers, or any other

---

## RISK FACTORS

---

party involved in the [REDACTED] and no representation is given as to its accuracy. In any event, you should consider carefully the importance placed on such information or statistics.

**If securities or industry analysts do not publish research reports about our business, or if they adversely change their recommendations regarding our Shares, the market price and trading volume of our Shares may decline.**

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

**We are exposed to risks associated with U.S. Executive Order 14105 and its implementing regulations that prohibit and require notification by on U.S. persons for certain investments.**

On October 28, 2024, the U.S. Department of the Treasury (“**Treasury**”) issued a final rule, codified in U.S. Code of Federal Regulations at 31 C.F.R. part 850, to implement the Executive Order 14105 of August 9, 2023 (the “**Final Rule**”), which became effective on January 2, 2025. The Final Rule imposes investment prohibition and notification requirements on U.S. persons for a wide range of investments in entities associated with the PRC (including Hong Kong and Macau) that are engaged in activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems, collectively defined as “Covered Foreign Persons.” U.S. persons subject to the Final Rule are prohibited from making, or required to report, certain investments in Covered Foreign Persons, which are defined as “Covered Transactions,” and include certain acquisitions of an equity interest, certain debt financing, joint ventures, and certain investments as a limited partner in a non-U.S. person pooled investment fund. The Final Rule contains exceptions for certain investments, including those in publicly traded securities, except when the U.S. person investor secures rights that go beyond standard minority shareholder protections. The Final Rule may introduce new hurdles and uncertainties for cross-border collaborations, investments, and funding opportunities of PRC-based issuers including us. On February 21, 2025, U.S. President issued a memo entitled the “America First Investment Policy” (the “**America First Memo**”), indicating that Executive Order 14105 is under review and the Trump Administration will consider new or expanded restrictions, such as broadening the sectors.

Since our Company does not design, produce, fabricate, package or manufacture an item covered under the “prohibited activities” as defined under Subpart C of § 850.301 of the US Outbound Investment Rules, our Directors believe that our business activities do not fall under “prohibited activities”; while the investments by U.S. persons in us is not a prohibited transaction, it may constitute a “notifiable transaction” under the Final Rule, which imposes an obligation on U.S. persons (but not our Company) to notify the U.S. Department of Treasury (the “**Department of Treasury**”). Following the completion of the [REDACTED], it is expected that U.S. persons will be able to invest in our H Shares

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

---

## **RISK FACTORS**

---

without the notification obligations based on the publicly traded securities exception under the Final Rule as long as the investment made does not afford a U.S. person certain rights that are not standard minority shareholder protections. However, the Final Rule nonetheless may increase the compliance burden of U.S. investors and may cause certain U.S. investors to adopt a more cautious approach in their investments, which may negatively impact our ability to raise capital from U.S. investors.