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## INDUSTRY OVERVIEW

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*The information and statistics set out in this section and other sections of this document were extracted from different official government publications, available sources from public market research and other sources from independent suppliers, and from the independent industry report prepared by CIC (the “CIC Report”). We engaged CIC to prepare the CIC Report in connection with the [REDACTED]. The information from official government sources has not been independently verified by us, the Joint Sponsors, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED] and the [REDACTED], any of their respective directors and advisors, or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy.*

### OVERVIEW OF CHINA’S FLEXIBLE EMPLOYMENT INDUSTRY

Employment arrangements generally include: 1) Traditional employment arrangement, primarily encompassing full-time workers who are under fixed employment contracts with the enterprises, as well as outsourced workers and those in labour dispatch arrangements; and 2) flexible employment arrangement. The workers in flexible employment arrangement primarily include freelancers, independent workers, and part-time workers with existing full-time jobs. They undertake tasks, orders, or projects released by businesses on a collaborative basis and receive corresponding business income or commissions upon completing the respective tasks, orders, or projects.

#### Advantages of Flexible Employment

Flexible employment was originally regarded as a supplement to traditional employment. However, driven by enterprises’ increasing demand for workforce flexibility and diversified talent pools, as well as the workers’ demand for additional income and time flexibility, flexible employment is gradually becoming significant. Its key advantages for enterprises include:

- *Employment flexibility:* Flexible employment models bring convenience and adaptability to businesses, enabling them to quickly respond to workload fluctuations and project demands. Such flexible employment strategies are particularly suitable for industries with significant workload volatility and seasonality or short-term projects requiring no long-term commitment.
- *Diversified talent pool:* Recruitment of flexible workers allows enterprises to access a diversified talent pool, enriching their capabilities to various skill sets.
- *Adapting to industrial upgrading trends:* The widespread application of AI is driving in-depth industrial upgrading across all sectors. The flexible employment model aligns with the transformative trend that the corporate demand for the workers is shifting from administrative and repetitive tasks to positions that focus more on interpersonal interaction and value creation.

The core advantages of flexible employment for workers include:

- *Increasing additional income:* Flexible employment can utilize spare time such as after-school or leisure hours to create extra income for workers.
- *Adapting to diverse career perspectives:* Flexible employment meets the younger generation’s needs to explore different professions, supports flexible job transitions, and provides diversified career development aspirations.
- *Enhancing time flexibility:* Compared to traditional employment arrangements, flexible employment provides more adaptable time arrangements, enabling flexible workers to control their own work pace.

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Value Chain

The major participants of China’s flexible employment industry value chain include:

- *Enterprises*: Enterprises primarily include industries characterized by high recruitment frequency and high workforce mobility, such as the catering (includes restaurants, beverage and cafe), hotel, and retail sectors.
- *Flexible employment service providers*: Flexible employment service providers are the core value chain participants, including traditional human resources service providers, and emerging flexible employment platforms. They connect enterprises and flexible workers, providing solutions to both parties. For enterprises, platforms offer full-process digital and intelligent management solutions covering workforce acquisition, workforce management, task allocation, and financial and tax management, improving management and recruitment efficiency. For workers, platforms provide comprehensive work-related services, including job matching, training, and compensation management, reducing idle time, safeguarding rights and interests, and increasing the income.
- *Flexible workers*: Flexible workers primarily includes freelancers, independent workers, and part-timers with full-time jobs.

Value chain of flexible employment

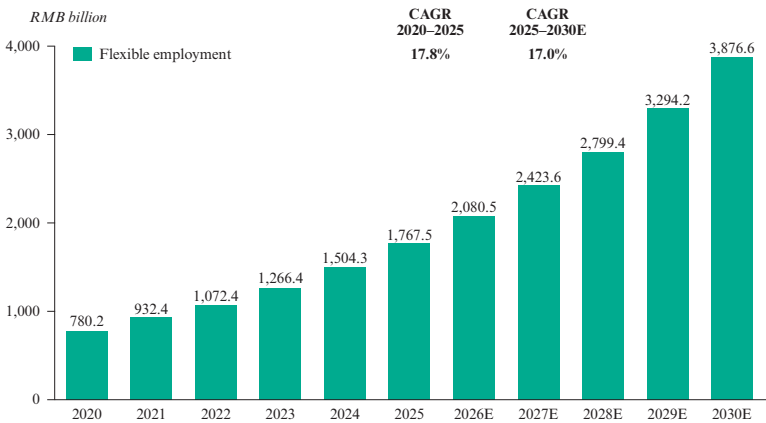


Source: China Insights Consultancy

Market Size of China’s Flexible Employment

The market size of China’s flexible employment, in terms of revenue, increased from RMB780.2 billion in 2020 to RMB1,767.5 billion in 2025, representing a CAGR of 17.8% from 2020 to 2025. Looking ahead, as the influence of flexible employment continues to grow and technologies such as AI further empower the industry, the market size of flexible employment is expected to reach RMB3,876.6 billion by 2030, representing a CAGR of 17.0% from 2025 to 2030.

Market size of flexible employment, in terms of revenue, China, 2020–2030E



Source: CIC, National Bureau of Statistics, Ministry of Human Resources and Social Security

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### Drivers

The drivers of China’s flexible employment industry are as follows:

- *Economic and industrial structural transformation:* Against the shifting economic growth dynamics and AI-driven structural adjustments, enterprises increasingly prioritize organizational flexibility. Meanwhile, the tertiary industry has increased its share in the economic structure and has gradually become a major driver of economic growth. Employment demand in the service sector is characterized by high frequency, volatility, and seasonality, and flexible employment enables enterprises to improve efficiency through greater flexibility. In addition, enterprises’ employment demand is shifting from labor-intensive positions toward positions that place greater emphasis on interpersonal interaction and value creation. Flexible employment arrangements align with this trend and continue to expand across a broader range of industries and application scenarios.
- *Maturity and enhancement of technological infrastructure:* With continuous advancements in internet platforms, remote collaboration technologies, AI algorithms, and big data analytics capabilities, information asymmetry between enterprises and flexible workers has been substantially reduced. Enterprises and flexible workers are now able to achieve efficient connection, precise matching, and dynamic workforce management through digital platforms. Digitalized management tools further assist enterprises in improving operational efficiency.
- *Transformation of demographic and workforce structures:* As population aging in China continues to deepen, the scale of the employment has been declining. In this context, flexible employment converts potential job seekers into active workforce participants and enables full-time employees to generate additional income. As a result, it supplements workforce supply and helps fill the labor market gaps.
- *Shifting job preferences of workers:* Generation Z is gradually becoming an increasingly important component of the employment market. Compared with previous generations, Generation Z places greater emphasis on job diversity and individual choice, and values autonomy over time, location, and task arrangements. As a result, career transitions among Generation Z tend to occur more frequently. Flexible employment enables workers to better balance personal life and professional commitments, providing greater flexibility and adaptability to diverse career paths.
- *Upgrading enterprise employment demand:* Enterprises and government authorities are continuously raising requirements for employment compliance, management efficiency, and workforce quality. At the same time, in certain industries and business scenarios, employment demand is highly volatile and dispersed, while some business activities are becoming increasingly fragmented, task-oriented, and independent. As a result, the overall management costs under traditional employment arrangements continue to rise. Through flexible employment, enterprises can achieve on-demand workforce matching and flexible deployment, and significantly improve efficiency.
- *Comprehensive policy supporting strengthening the development of flexible employment:* In recent years, national authorities and relevant regulatory bodies have progressively strengthened policy guidance for flexible employment. According to the State Council’s Report on the Protection of the Rights and Interests of Workers in Flexible and New Forms of Employment (《國務院關於靈活就業和新就業形態勞動者權益保障工作情況的報告》) in December 2025, flexible employment has become an important channel for Chinese workers to generate income. A series of supportive policies have been introduced, including the Opinions of the State Council on Implementing the Employment-First Strategy to Promote High-Quality and Full Employment (《國務院關於實施就業優先戰略促進高質量充分就業的意見》), the Opinions on Strengthening Human Resources Services to Support High-Quality Development of the Manufacturing Industry (《關於加強人力資

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源服務助力製造業高質量發展的意見》), and the Opinions on Strengthening the Development of Gig Markets and Improving Job Matching and Recruitment Services (《關於加強零工市場建設完善求職招聘服務的意見》). In addition, the government has promoted the rights and interests for flexible workers, such as the Guiding Opinions on Maintaining the Labor Security Rights and Interests of Workers in New Forms of Employment (《關於維護新就業形態勞動者勞動保障權益的指導意見》) and the Guidelines on the Rest and Labor Remuneration Rights and Interests of Workers in New Forms of Employment (《新就業形態勞動者休息和勞動報酬權益保障指引》).

### Pain Points

Currently, China’s flexible employment industry is still in the developing phase, and the pain points of each process are as follows:

- *Excessively long recruitment lifecycle increases attrition risk.* A typical flexible employment recruitment lifecycle includes several stages — application, screening, interview, acceptance, training, and scheduling — resulting in a relatively long overall cycle. Enterprises often face mismatches between workforce demand and workforce availability, leading to frequent repeated communication and coordination. For the flexible workers, prolonged waiting times, poor job-seeking experience, and high attrition rates are common.
- *Training challenges undermine recruitment quality.* Under the flexible employment arrangement, employment is mainly short-term and phased, with frequent workforce mobility and limited employment cycles, making it difficult for enterprises to provide continuous and systematic training under traditional approaches. Differences in skill requirements and operational standards across positions and scenarios make training difficult to standardize and replicate.
- *Performance disputes increase coordination costs for both sides.* During the actual service fulfillment process, disputes may arise over work scope, service quality, and attendance. Such issues often involve enterprises, the flexible workers, and third parties, requiring repeated communication and coordination to clarify responsibilities.
- *Compensation and insurance issues weaken workforce protection and increase compliance risks for enterprises.* Under the flexible employment arrangement, compensation settlement methods and social insurance arrangements vary across scenarios, with differences in settlement rules, payment cycles, and coverage. Under information asymmetry, the flexible workers may face delayed payments and inadequate protection, leading to disputes and impaired rights. Meanwhile, enterprises may be exposed to compliance risks, potentially affecting normal operations.
- *An integrated evaluation system for flexible employment is missing.* In flexible employment scenarios, given the relatively short engagement cycles and fragmented platform distribution, there is often no unified and accumulative evaluation and feedback mechanism. Enterprises face difficulties in forming continuous records and objective assessments of workforce performance, service quality, and compliance. Relevant information cannot be effectively reused across different roles or business scenarios, resulting in workers repeatedly undergoing screening and interview processes when applying for similar positions.

### OVERVIEW OF CHINA’S FLEXIBLE EMPLOYMENT PLATFORM INDUSTRY

China’s flexible employment industry, comprises various types of service providers, including traditional human resources service providers, and emerging flexible employment platforms. Traditional service providers in China have generally been unable to fully meet enterprises’ demand for high-quality and efficient management under flexible employment models, leading to the

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gradual rise of flexible employment platforms. These platforms address industry pain points and facilitate the optimal allocation of human resources. Flexible employment platforms refer to platform-based organizations that leverage internet and digital information technologies to provide enterprises and flexible workers with online services, including recruitment, interview, training, scheduling, attendance management, and payment & insurance.

### Business Innovation Models to Address Pain Points

Flexible employment platforms utilize mobile internet, big data, cloud computing, and AI technologies to address industry pain points:

- *AI applications shortening the recruitment chain:* In flexible employment scenarios, AI-powered intelligent matching can enable direct acceptance without interviews or with AI interviews, allowing candidates to complete interviews during fragmented time slots without appointments. The application of artificial intelligence significantly reduces the most time-consuming interview stage in the flexible employment recruitment process, lowers candidate attrition risk, improves enterprise recruitment efficiency, and enhances the recruitment experience for workers.
- *Provision of third-party assessment and training systems:* Supported by digital technologies, enterprises can publish training materials on flexible employment platforms, enabling workers to complete training prior to work with fragmented time. In addition, leading flexible employment platforms have introduced AI-enabled skill assessments, allowing workers to obtain online certifications and increase income potential.
- *Intelligent scheduling and assessment clarifying performance standards:* Digital flexible employment platforms clarify employment rules, performance standards, and settlement conditions prior to engagement, reducing misunderstandings arising from inconsistent interpretations. During service delivery, AI-based scheduling and performance evaluation tools not only rationalize workload distribution but also generate traceable electronic records covering attendance arrangements, task requirements, and quality evaluations. This reduces the likelihood of disputes, and facilitates more efficient dispute resolution.
- *Safeguarding wage settlement and workforce rights:* Digital flexible employment platforms manage billing rules, working hour calculations, and settlement procedures through online systems, enabling more efficient wage settlement once performance conditions are fulfilled. Some platforms have implemented daily insurance coverage and instant wage settlement mechanisms for specific roles, mitigating risks such as delayed wage payments and reducing enterprises’ compliance risks.
- *Establishing evaluation systems to improve long-term matching efficiency:* Digital flexible employment platforms implement unified evaluation and feedback mechanisms to continuously record and objectively assess workforce performance, service quality, and compliance, while building digital career lifecycle databases. As a result, workers applying for similar roles can avoid interview processes, reducing long-term time costs for both parties and enhancing overall screening and interviewing efficiency.

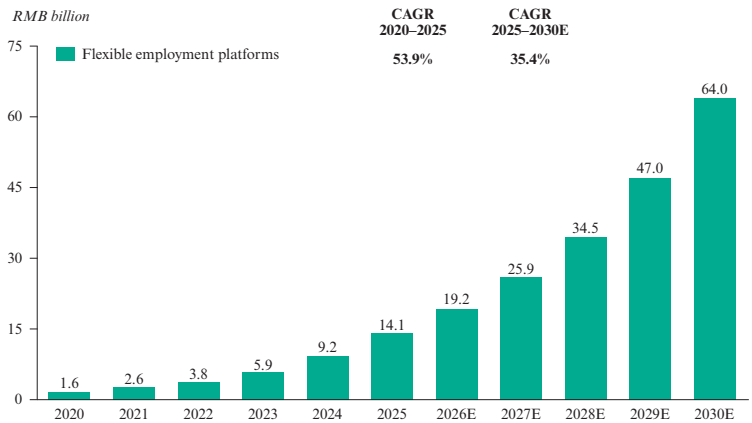
### Market Size

The market size of China’s flexible employment platform industry, in terms of revenue, increased from RMB1.6 billion in 2020 to RMB14.1 billion in 2025, representing a CAGR of 53.9% from 2020 to 2025.

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Looking ahead, driven by the continued expansion of the flexible employment market and the ongoing advancement and deepening application of artificial intelligence technologies, the industry is expected to maintain rapid growth. The market size of China’s flexible employment platform industry is projected to reach RMB64.0 billion by 2030, representing a CAGR of 35.4% from 2025 to 2030.

**Market size of flexible employment platforms in terms of revenue, China, 2020–2030E**



Source: CIC, National Bureau of Statistics, Ministry of Human Resources and Social Security

### Drivers

The drivers of China’s flexible employment platform industry are as follows:

- *Intensifying competition driving enterprises to strengthen core competitiveness:* As market competition in China continues to intensify, enterprises face increasing pressure to optimize employment structures and enhance operational efficiency. Flexible employment platforms enable enterprises to maintain business continuity while improving employment efficiency and reducing idle employment risks.
- *Development of new economy platforms accelerating diversification of employment arrangements:* A lot of mobile internet platforms involve cross-city or online work scenarios that differ significantly from traditional employment models. Flexible employment platforms help streamline processes, ensure data traceability, and enable scalable operations, thereby supporting more complex employment structures and higher-intensity daily management requirements.
- *AI-driven optimization of end-to-end management and recruitment experiences:* The application of AI enables flexible employment platforms to deliver highly targeted solutions. For enterprises, AI tools such as AI-based scheduling and AI-enabled performance evaluation allow flexible standards tailored to different industries and organizational needs. For workers, AI interviews and AI-powered training and assessment systems enable them to complete recruitment processes during fragmented time slots, creating a personalized employment experience.
- *Individual needs of workers:* From the perspective of workers’ demand, the flexible employment platform market also benefits from the release of individual demand for supplementary income. Compared with the past, more workers are seeking income-generating opportunities outside traditional full-time employment to increase their income. This has led to a broader supply of flexible workers and greater demand for flexible employment platform to offer such opportunities.

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- *Standardized regulatory environment further highlighting the platforms’ strengths:* As the regulatory environment for flexible employment becomes increasingly normalized, enterprises face rising compliance costs in areas such as workforce management and tax compliance. As a result, enterprises are more inclined to choose platform-based solutions rather than traditional service providers, in order to improve the efficiency.

### Future Trends

The future trends of China’s flexible employment platform industry are as follows:

- *End-to-end and modularized expansion:* As flexible employment platforms continue to develop rapidly, they are expanding services on both the enterprise and workforce sides, gradually evolving into comprehensive platforms characterized by end-to-end coverage and modularized capabilities.
- *Evolution from compliance-focused to management-driven capabilities:* As flexible employment scales up, platforms are shifting from regulatory compliance requirements toward workforce management tools. In areas such as attendance scheduling, freelancer training, payment processing, and performance management, differences between flexible employment and traditional fixed employment structures are becoming increasingly pronounced in terms of organizational models and management logic. These evolving needs are creating new growth opportunities for cloud-based platforms, which aim to improve operational efficiency and workforce quality through management systems tailored to the specific characteristics of flexible employment.
- *Upgrade from matching to bilateral fulfillment management:* As flexible employment becomes more normalized, platforms are no longer limited to supply-demand matching but are extending their role into bilateral fulfillment management. While establishing workforce performance standards, platforms are also introducing enterprise oversight mechanisms.
- *Specialization across vertical industries:* As flexible employment penetrates an increasing number of industries, a single standardized product cannot fully meet the diverse needs of different industries and scenarios. Flexible employment platforms are therefore expanding user coverage into more vertical markets. In this process, platforms deepen their understanding of industry-specific business characteristics, employment rhythms, and management requirements, developing customized and adaptable capabilities tailored to specific sectors to better address complex workforce demands.

### Downstream Industry Demand Analysis

The major downstream industries of flexible employment platform include: catering, hotel, retail, and others. As of 2025, China’s catering industry (includes restaurants, beverage and cafe), employed over 30 million people, of whom only approximately 1.5 million used flexible employment platforms, representing a penetration rate of around 5.0%. China’s retail industry had approximately 53 million employees, with approximately 0.8 million using flexible employment platforms, accounting for a penetration rate of 1.6%. China’s hotel industry had approximately 35 million employees, of which 0.2 million used flexible employment platforms, marking a penetration rate of 0.5%. Across these four industries, the penetration rates of flexible employment platforms present a potential for future development.

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### COMPETITIVE LANDSCAPE OF CHINA’S FLEXIBLE EMPLOYMENT PLATFORM INDUSTRY

#### Competitive Landscape

In terms of revenue, the overall market size of China’s flexible employment platform industry was approximately RMB14.1 billion in 2025 with the top five service providers accounting for approximately 35.4% of the market size. In terms of revenue in 2025, the Company ranks No.1 among flexible employment platforms in China, with revenue of RMB2.4 billion and a market share of approximately 17.2%.

In terms of revenue in 2025, the Company also ranks No.1 in China’s flexible employment recruitment platform industry. In addition, the Company also ranks No.1 in terms of cumulative served users, attendance person-times and attendance headcount in 2025. Furthermore, the Company is the first service provider in China’s flexible employment platform industry to possess full-chain service capabilities, covering recruitment, interview, training, scheduling and attendance management, service fulfillment, payment and insurance, as well as talent evaluation systems.

#### Top five flexible employment platforms in China, in terms of revenue, 2025

| Rank         | Company     | Revenue,<br>RMB100<br>million | Market<br>Share, % |
|--------------|-------------|-------------------------------|--------------------|
| 1            | The Company | 24.3                          | 17.2%              |
| 2            | Company A   | 15.0                          | 10.6%              |
| 3            | Company B   | 7.0                           | 5.0%               |
| 4            | Company C   | 2.2                           | 1.6%               |
| 5            | Company D   | 1.4                           | 1.0%               |
| <b>Top 5</b> |             | <b>49.9</b>                   | <b>35.4%</b>       |

Source: China Insights Consultancy

Notes:

The Company’s revenue is based on the revenue generated from its “one-stop flexible employment solution” and “online recruitment matching services”.

- 1) Company A is a non-listed company headquartered in Shanghai, China in 2014, primarily focusing on flexible employment and part-time service platforms, providing flexible employment matching and digital human resources solutions for enterprises and individuals in the service industry.
- 2) Company B is a non-listed company headquartered in Shanghai, China in 2003, primarily focusing on human resources outsourcing, flexible employment management, and digital employment platform technologies, providing integrated workforce management systems and digital human resources services for enterprises.
- 3) Company C is a non-listed company headquartered in Guangzhou, China in 2013, primarily focusing on flexible employment and part-time recruitment services, providing one-stop flexible employment matching and digital human resources solutions for enterprises and job seekers.
- 4) Company D is a non-listed company headquartered in Beijing, China in 2015, primarily focusing on entry-level recruitment and flexible employment services, providing one-stop human resources and workforce management solutions for industries such as services, logistics, and retail.

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### Entry Barriers and Key Success Factors

Entry barriers and key success factors in China’s flexible employment platform industry are as follows:

- *End-to-end and modularized closed-loop capabilities:* Flexible employment platforms currently achieve business closed-loop capabilities by integrating management and recruitment services across the entire process and all functional modules. By delivering fully automated and integrated experiences at key user touchpoints, they establish both technological and service barriers.
- *In-house AI development capabilities:* AI has already been widely applied within the flexible employment platform industry. Platforms need strong in-house development capabilities to deeply integrate AI into various functions, including rapid job matching, intelligent interviewing, automated assessment, and smart settlement, delivering a unified and intelligent service experience.
- *Industry-specific insight and expertise:* Different industries and scenarios present distinct requirements for employment demand, workforce screening, task delivery, and compensation structures. Flexible employment platforms must embed industry-specific understanding into their products and propose tailored solutions accordingly to accumulate sustained competitive advantages in specific markets.
- *Trust and connectivity across both sides of the market:* Leading platforms differentiate themselves by building trust and seamless connectivity across both enterprise and worker sides. On the enterprise side, trust established through proven compliance track records, reliable service delivery, and deep operational integration creates sticky, long-term client relationships and quality job supply. On the worker side, trust earned through timely payments, transparent matching, and safety guarantees, combined with deep know-how in addressing workers’ pain points, drives higher retention and larger active worker pools, reinforcing the platform’s value to enterprises and creating a self-reinforcing network effect.
- *Establishment of a data-driven trust and evaluation system:* Given the broad enterprise coverage, large service scale, and high mobility of workers within flexible employment platforms, user experience and service quality are more likely to be amplified through bilateral feedback mechanisms. Reputation effects will therefore play a growing role in user acquisition and retention.
- *Accumulation of resources and customer base:* Platforms can leverage AI training and industry insights to transform data assets into more precise matching capabilities and higher-quality service experiences. Data-driven optimization enhances user satisfaction and engagement frequency, attracting additional enterprises and workers. Over time, this creates a positive feedback loop — expanding user scale, continuously upgrading experience, strengthening platform attractiveness, and further expanding user scale — thereby establishing long-term barriers for platforms with leading user bases.
- *Nationwide service capability:* As policies continue to evolve and regional implementation standards vary, platforms face stricter requirements in compliance management and regulatory responsiveness. Flexible employment platforms must continuously monitor policy developments across regions and promptly integrate updated compliance requirements into business processes.

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### SOURCE OF THE INDUSTRY INFORMATION

We engaged CIC, an independent market research consultant, to analyze China’s flexible employment industry and prepare a report for use in this document at a fee of RMB715,500. CIC prepared the report based on data published by government agencies and non-governmental organizations, as well as its primary and secondary research. CIC utilized various resources for its primary and secondary research. Primary research involved conducting interviews with key industry experts and leading market participants. Secondary research involved analyzing data from multiple publicly available sources, including data from the National Bureau of Statistics of China.

The forecasts and assumptions provided in the CIC Report are inherently uncertain due to events or combinations of events that cannot be reasonably foreseen, including, but not limited to, actions by governments, consumers, competitors, and other third parties. Specific factors that may cause actual results to differ materially include, among others, the inherent risks of the flexible employment industry, social and economic factors, supply risks, regulatory risks, environmental issues, labor risks, financing risks, and force majeure or unforeseeable events. Unless otherwise stated, all data and forecasts contained in this section are derived from the CIC Report. After reasonable and careful consideration, our Directors confirm that there has been no material adverse change in the overall market information since the date of the CIC Report which would constitute a material limitation, contradiction, or impact on such information.