

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**FORM 20-F**

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

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended September 30, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

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

Date of event requiring this shell company report \_\_\_\_\_

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No.: 001-42442

**Youxin Technology Ltd**

*(Exact name of registrant as specified in its charter)*

*Translation of registrant's name into English: Not applicable*

**Room 1005, 1006, 1007, No. 122 Huangpu Avenue West,  
Tianhe District, Guangzhou, Guangdong Province  
People's Republic of China, 510000**

**Cayman Islands**

*(Jurisdiction of incorporation or organization)*

*(Address of principal executive offices)*

**Shaozhang Lin  
Chief Executive Officer**

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**Tel: +86 13631357745**

**Email: ir@youxin.cloud**

*(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)*

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

Title of each class to be registered	Trading Symbol(s)	Name of each exchange on which each class is to be registered
Class A ordinary shares, \$0.008 par value per share	YAAS	The Nasdaq Stock Market LLC

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Number of outstanding shares of each of the issuer's classes of capital or common stock as of September 30, 2025: 2,325,550 Class A ordinary shares.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act of 1934. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Emerging Growth Company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

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

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

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

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

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

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

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.  Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company. Yes  No

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## INTRODUCTION

Unless the context otherwise requires, references in this annual report on Form 20-F to the “Company,” “Youxin,” “we,” “us,” “our” and other similar designations refer to Youxin Technology Ltd. All references to “common shares” are to our Class A ordinary shares, par value \$0.008 (“Class A Shares”).

For fiscal years ended September 30, 2025, 2024 and 2023, our reporting currency and functional currency in our financial statements is the United States dollar. Amounts denominated in United States Dollars are stated as “\$” “dollars” or “USD”. Unless otherwise expressly stated or the context otherwise requires, references in this Annual Report to “RMB” are to Renminbi.

We report under Generally Accepted Accounting Principles in the United States of America (“GAAP”), as issued by the Financial Accounting Standards Board, or the FASB. None of the financial statements were prepared in accordance with generally accepted accounting principles in the United States.

Unless otherwise indicated, or the context otherwise requires, references in this Annual Report to financial and operational data for a particular year refer to the fiscal year of our Company ended September 30 of that year.

## EMERGING GROWTH COMPANY STATUS

We qualify as an “emerging growth company,” as defined in the U.S. Jumpstart Our Business Startups Act of 2012, or JOBS Act, and we may take advantage of certain exemptions, including exemptions from various reporting requirements that are otherwise applicable to public traded entities that do not qualify as emerging growth companies. These exemptions include:

- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act; and
- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements (i.e., an auditor discussion and analysis).

Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of the extended transition period provided in Section 13(a) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, for complying with new or revised accounting standards. This means that an “emerging growth company” can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. Given that we currently report and expect to continue to report our financial results under US GAAP as issued by the FASB, we will not be able to avail ourselves of this extended transition period and, as a result, we will adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required by the FASB.

We will remain an emerging growth company until the earliest of: (i) the last day of the first fiscal year in which our annual gross revenues exceed \$1.235 billion; (ii) the last day of the fiscal year following the fifth anniversary of the date of our initial public offering; (iii) the date that we become a “large accelerated filer” as defined in Rule 12b-2 under the Exchange Act, which would occur if the aggregate worldwide market value of our common shares, including common shares represented by warrants, held by non-affiliates is at least \$700 million as of the last business day of our most recently completed second fiscal quarter; or (iv) the date on which we have issued more than \$1.0 billion in non-convertible debt securities during any three-year period.

## TRADEMARKS

All trademarks or trade names referred to in this Annual Report on Form 20-F are the property of their respective owners. Solely for convenience, the trademarks and trade names in this Annual Report on Form 20-F are referred to without the ® and ™ symbols, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto. We do not intend the use or display of other companies’ trademarks and trade names to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain information included or incorporated by reference in this Annual Report on Form 20-F may be deemed to be “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 and other securities laws. Forward-looking statements are often characterized by the use of forward-looking terminology such as “aim,” “anticipate,” “assume,” “believe,” “contemplate,” “continue,” “could,” “due,” “estimate,” “expect,” “goal,” “intend,” “may,” “objective,” “plan,” “predict,” “potential,” “positioned,” “seek,” “should,” “target,” “will,” “would,” or other similar words, but are not the only way these statements are identified.

These forward-looking statements may include, but are not limited to, statements relating to our objectives, plans and strategies, statements that contain projections of results of operations or of financial condition, expected capital needs and expenses, statements relating to the research, development, completion and use of our products, and all statements (other than statements of historical facts) that address activities, events or developments that we intend, expect, project, believe or anticipate will or may occur in the future.

Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties. We have based these forward-looking statements on assumptions and assessments made by our management in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe to be appropriate.

Important factors that could cause our actual results to differ materially from any future results expressed or implied by the forward-looking statements. Many factors could cause our actual activities or results to differ materially from the activities and results anticipated in forward-looking statements, including, but not limited to, the factors summarized below:

- the need to hire additional personnel and our ability to attract and retain such personnel;
- our estimates regarding expenses, future revenue, capital requirements and needs for additional financing;
- our dependence on third parties;
- our ability to compete with other companies who offer products that address similar issues that our future products will address;
- our financial performance;
- the period over which we estimate our existing cash will be sufficient to fund our future operating expenses and capital expenditure requirements;
- our ability to generate revenue and profit margin under our anticipated contracts which is subject to certain risks; and
- those factors referred to in “Item 3.D. Risk Factors,” “Item 4. Information on the Company,” and “Item 5. Operating and Financial Review and Prospects,” as well as in this Annual Report on Form 20-F generally.

These statements are only current predictions and are subject to known and unknown risks, uncertainties, and other factors that may cause our or our industry’s actual results, levels of activity, performance, or achievements to be materially different from those anticipated by the forward-looking statements. We discuss many of these risks in this Annual Report on Form 20-F in greater detail under the heading “Risk Factors” and elsewhere in this Annual Report on Form 20-F. You should not rely upon forward-looking statements as predictions of future events.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. Except as required by law, we are under no duty to update or revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, after the date of this Annual Report on Form 20-F.

## **MARKET, INDUSTRY AND OTHER DATA**

Market data and certain industry data and forecasts used throughout this Annual Report on Form 20-F were obtained from sources we believe to be reliable, including market research databases, publicly available information, reports of governmental agencies, and industry publications and surveys. We have relied on certain data from third party sources, including industry forecasts and market research, which we believe to be reliable based on our management's knowledge of the industry. While we are not aware of any misstatements regarding the industry data presented in this Annual Report on Form 20-F, our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading "Risk Factors" and elsewhere in this Annual Report on Form 20-F.

Statements made in this Annual Report on Form 20-F concerning the contents of any agreement, contract or other document are summaries of such agreements, contracts or documents and are not a complete description of all of their terms. If we filed any of these agreements, contracts or documents as exhibits to this Report or to any previous filing with the Securities and Exchange Commission, or SEC, you may read the document itself for a complete understanding of its terms.

**PART I**

**ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS**

Not applicable.

**ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE**

Not applicable.

**ITEM 3. KEY INFORMATION**

**A. [Reserved]**

**B. Capitalization and Indebtedness**

Not applicable.

**C. Reasons for the Offer and Use of Proceeds**

Not applicable.

**D. Risk Factors**

You should carefully consider the risks described below, together with all of the other information in this Annual Report on Form 20-F. The risks and uncertainties described below are those material risk factors, currently known and specific to us, that we believe are relevant to an investment in our securities. Additional risks and uncertainties not currently known to us or that we now deem immaterial may also harm us. If any of these risks materialize our business, results of operations or financial condition could suffer, and the price of our common shares could decline substantially.

**Summary Risk Factors**

We face various legal and operational risks associated with our substantial operations in China. The PRC government has the right to regulate how a China-based company, like us, conducts its business, accepts foreign investments, or lists on a U.S. stock exchange in accordance with laws and regulations. For example, we face risks associated with regulatory approvals of offshore offerings, anti-monopoly regulatory actions, cybersecurity and data privacy, as well as the lack of inspection from the Public Company Accounting Oversight Board (the “PCAOB”). Such regulations may from time to time have an impact on our business operations. Any regulatory action unfavorable to our operations, once taken by the PRC government, could cause the value of our securities to significantly decline or in extreme cases, become worthless. The operational and legal risks associated with being based in and having operations in China also to the extent applicable apply to operations in Hong Kong and Macau which operate under different sets of laws from those of Mainland China.

Investing in our ordinary shares involves significant risks. You should carefully consider all of the information in this report and the filings incorporated by reference before making an investment in our Securities. Below please find a summary of the principal risks we face, organized under relevant headings. These risks are discussed more fully in the section titled “Risk Factors.”

## **Our Operational and Execution Risks**

- We are dependent on our subsidiary Guangzhou Youxin's PaaS platform to provide cloud services.
- We have a limited operating history, making it difficult to forecast our future results of operations.
- We may have insufficient computing resources, transmission bandwidth and storage space, which could result in disruptions and the business, results of operations and financial condition could be adversely affected.
- If our security measures or those of our third-party data center hosting facilities, cloud computing platform providers or third-party service partners, or the underlying infrastructure of the internet are breached, and unauthorized access is obtained to a client's data, our data or our IT systems, or authorized access is blocked or disabled, our services may be perceived as not being secure, clients may refrain from or stop using the services, and we may incur significant reputational harm, legal exposure and liabilities, or a negative financial impact.
- If we are unable to protect our proprietary information or other intellectual property, our business could be adversely affected.
- Any interruptions or delays in services from third parties, including data center hosting facilities, cloud computing platform providers and other hardware and software vendors, or from our inability to adequately plan for and manage service interruptions or infrastructure capacity requirements, could impair the delivery of our services and harm the business.
- Supporting our existing and growing client base could strain our personnel resources and infrastructure, and if we are unable to scale up our operations and increase productivity, we may not be able to successfully implement our business plan.
- If our clients do not renew professional services or if they reduce the frequency of the subscription at the time of renewal, our revenue and current remaining performance obligation could decline and the business may suffer. If we cannot accurately predict renewals or upgrade rates, we may not meet the revenue targets, which may adversely affect the market price of our ordinary shares.
- As more of our sales efforts are targeted at larger enterprise clients, our sales cycle may become more time-consuming and expensive, we may encounter pricing pressure and implementation and configuration challenges, and we may have to delay revenue recognition for some complex transactions, all of which could harm our business and operating results.
- We may lose key members of the management team or development and operations personnel and may be unable to attract and retain employees we need to support operations and growth.
- We depend on a small number of customers to derive a significant portion of our net revenues and this dependence is likely to continue.

### **Strategic and Industry Risks**

- We operate in an emerging and evolving market. If our market does not grow, or if it cannot expand our products and services to meet the demands of this market, and if we do not compete effectively, our operating results could be harmed, our revenue may decline, or fail to grow, and may continue to incur operating losses.
- Failure to effectively develop and expand our marketing and sales capabilities could harm our ability to increase our customer base and achieve broader market acceptance of our products and services.
- Our efforts to expand the sale and marketing and to develop and integrate the existing services in order to keep pace with technological developments may not succeed and may reduce our revenue growth rate and harm our business.
- If third-party developers and providers do not continue to embrace our technology delivery model and enterprise cloud computing services, or if our clients seek warranties from us for third-party applications, integrations, data, and content, our business could be harmed.
- Because we generally recognize revenue over the term of our customer agreements, downturns or upturns in new business may not be immediately reflected in our operating results.
- We benefit from integration of our products and services with those of our business partners. If these business partners choose not to partner with us in the future, our business and results of operations may be harmed.

### **Legal and Regulatory Risks**

- Changes in laws and regulations related to the internet or changes in the internet infrastructure itself may diminish the demand for our products and solutions, and could adversely affect our business, results of operations and financial condition.
- Any failure to obtain registration or protection of our intellectual property rights could impair our ability to protect our proprietary technology and our brand, causing us to incur significant expenses and harm our business.
- We may be subject to claims by third parties for intellectual property infringement.
- We face challenges from the evolving regulatory environment and user attitudes toward data privacy and protection. Actual or alleged failure to comply with data privacy and protection laws and regulations could materially and adversely affect our business and results of operations.
- We may be involved in legal and other proceedings arising out of our operations from time to time and may face significant liabilities as a result.

### **Risks Related to Doing Business in China**

- Any actions by the Chinese government to exert more oversight and control over offerings that are conducted overseas and/or foreign investment and/or operations in China-based issuers could significantly change our operations, limit or completely hinder our ability to offer or continue to offer securities to investors and cause the value of such securities to significantly decline or be worthless.

- Recent SEC, PCAOB, and Nasdaq developments under the HFCAA could add uncertainties to our future offerings, business operations, share price and reputation. The recent joint statement by the SEC and PCAOB, proposed rule changes submitted by Nasdaq, and the HFCAA all call for additional and more stringent criteria to be applied to emerging market companies upon assessing the qualification of their auditors, especially the non-U.S. auditors who are not inspected by the PCAOB. On April 21, 2020, SEC Chairman Jay Clayton and PCAOB Chairman William D. Duhnke III, along with other senior SEC staff, released a joint statement highlighting the risks associated with investing in companies based in or have substantial operations in emerging markets including China. The joint statement emphasized the risks associated with lack of access for the PCAOB to inspect auditors and audit work papers in China and higher risks of fraud in emerging markets. On August 26, 2022, SEC Chairman Gary Gensler released a statement announcing that the PCAOB signed a Statement of Protocol with the China Securities Regulatory Commission (the “CRSC”) and the Ministry of Finance of the PRC, which sets out specific arrangements on conducting inspections and investigations by both sides over relevant audit firms within the jurisdiction of both sides, including the audit firms based in mainland China and Hong Kong. This agreement marks an important step towards resolving the audit oversight issue that concern mutual interests, and sets forth arrangements for both sides to cooperate in conducting inspections and investigations of relevant audit firms, and specifies the purpose, scope and approach of cooperation, as well as the use of information and protection of specific types of data. These developments could add uncertainties to our future offerings, business operations share price, and reputation.
- Uncertain PRC legal enforcement. The PRC has not developed a fully integrated legal system, and recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in the PRC. In particular, the interpretation and enforcement of these laws and regulations involve uncertainties. Since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy. These uncertainties may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or tort claims. Furthermore, these risks may result in a material change in our operations, significant depreciation of the value of our ordinary shares, or a complete hindrance of our ability to offer or continue to offer our securities to investors.
- The CSRC may exert more oversight and control over offerings that are conducted overseas and in foreign investment in China-based issuers, especially those in the technology field. Additional compliance procedures may be required in connection with this offering. As a result, we face uncertainty about future actions by the PRC government that could significantly affect our ability to continue to offer securities to investors and cause the value of our securities to significantly decline or be worthless.
- The CAC has recently increased oversight over data security, particularly for companies seeking to list on a foreign exchange. We believe the impact of the CAC’s increasing oversight on our business is immaterial. However, the implementation and interpretation of the Revised CAC Measures, and the decision as to whether the PRC regulatory authorities may adopt new laws, regulations, rules, or detailed implementation and interpretation in relation, or in addition to the Revised CAC Measures, will be determined on an ad hoc basis depending on the facts and circumstances.

- The recent policy pronouncements by the PRC government regarding business activities of U.S.-listed PRC businesses may negatively impact our Hong Kong subsidiary.
- *PRC government interference.* Because Guangzhou Youxin operates in Mainland China, the Chinese government exerts substantial influence over the manner in which they must conduct business activities. Laws, interpretations and enforcement in China may change quickly and with little advance notice, and the Chinese government may intervene or influence our and Guangzhou Youxin's operations at any time or may exert more control over offerings conducted overseas or investments in Mainland China Based issuers, which could result in material changes in operations and/or the value of the securities we are registering for sale. If Guangzhou Youxin was required to obtain approval and was denied permission from Chinese authorities to list on U.S. exchanges, we would not be able to continue listing on any U.S. exchange, continue to offer securities to investors, and it would materially affect the interest of the investors.
- Our business may be negatively affected by the potential obligations if we fail to comply with social insurance and housing provident fund related laws and regulations.
- Failure to comply with PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of this offering to make loans or additional capital contributions to our subsidiaries, which could materially and adversely affect our liquidity and ability to fund and expand our business.
- We are a holding company, and we rely on funding on dividend payments from WFOE and Guangzhou Youxin, which are subject to restrictions under PRC laws.
- To the extent cash in the business is in the PRC and Hong Kong or a PRC or Hong Kong entity, the funds may not be available to fund operations or for other use outside of the PRC/Hong Kong.
- Fluctuations in exchange rates could adversely affect our business and the value of our securities.
- You may experience difficulties in effecting service of process or enforcing foreign judgments against us, our respective executive officers and directors residing in Mainland China.
- PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may subject our PRC resident shareholders to penalties and limit our ability to inject capital into our PRC subsidiary, limit our ability to distribute profits to us, or otherwise adversely affect us

- Failure to comply with the Individual Foreign Exchange Rules relating to the overseas direct investment or the engagement in the issuance or trading of securities overseas by our PRC resident shareholders may subject such shareholders to fines or other liabilities.
- If our subsidiaries were to lose their favorable tax treatments, we could face higher tax rates than we currently pay for much of our revenues.
- If we fail to maintain the requisite licenses and approvals required under the regulatory environment applicable to our PaaS cloud services business in China, or if we are required to take compliance actions that are time-consuming or costly, our business, financial condition and results of operations related to our PaaS cloud service and SaaS standard product may be materially and adversely affected.
- We may be deemed a PRC resident enterprise for PRC Enterprise Income Tax (“EIT”) purposes under the EIT Law and be subject to PRC taxation on our global income.
- Laws and regulations governing the internet industry and related businesses in China are evolving and may involve significant uncertainty.
- We rely on dividends paid by WFOE for our cash needs, and any limitation on the ability of WFOE to pay dividends to us could have a material adverse effect on our ability to conduct our business.
- The PRC government’s control over currency conversion may limit our foreign exchange transactions, including dividend payments on our Shares.
- PRC laws and regulations establish complex procedures for some acquisitions of PRC companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China.
- Additional compliance procedures may be required in connection with this offering, due to the promulgation of the new filing-based administrative rules for overseas offering and listing by domestic companies in China, which could significantly limit or completely hinder our ability to offer or continue to offer our Class A Shares to investors and could cause the value of our Class A Shares to significantly decline or become worthless.

#### **Risks Related to Our Corporate Structure and Operation**

- We will incur additional costs as a public company, which could negatively impact our net income and liquidity.
- The obligation to disclose information publicly may put us at a disadvantage to competitors that are private companies.
- We are a “foreign private issuer,” and our disclosure obligations differ from those of U.S. domestic reporting companies. As a result, we may not provide you the same information as U.S. domestic reporting companies or we may provide information at different times, which may make it more difficult for you to evaluate our performance and prospects.
- As a foreign private issuer, we are permitted to rely on exemptions from certain Nasdaq corporate governance standards applicable to U.S. issuers, including the requirement that a majority of an issuer’s directors consist of independent directors. If we opt to rely on such exemptions in the future, such decision might afford less protection to holders of our ordinary shares.

## **Risks Related to Our Ownership of Our Class A Shares**

- Our dual-class ordinary shares structure may negatively impact the market price of its ordinary shares.
- We are an “emerging growth company,” and we cannot be certain whether the reduced reporting requirements applicable to emerging growth companies will make our ordinary shares less attractive to investors.
- Because we have elected to use the extended transition period for complying with new or revised accounting standards for an “emerging growth company,” our financial statements may not be comparable to companies that comply with these accounting standards as of the public company effective dates.
- If we are unable to implement and maintain effective internal control over financial reporting in the future, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our ordinary shares may decline.
- Our management team lacks experience in managing a U.S. public company and complying with laws applicable to such company, the failure of which may adversely affect our business, financial conditions and results of operations.
- The market price of our ordinary shares may be volatile or may decline regardless of our operating performance, and you may not be able to resell your shares at or above the initial public offering price.
- We do not intend to pay dividends for the foreseeable future.
- Shares eligible for future sale may adversely affect the market price of our ordinary shares, as the future sale of a substantial amount of outstanding ordinary shares in the public marketplace could reduce the price of our ordinary shares.
- We are subject to liability risks stemming from our foreign status, which could make it more difficult for investors to sue or enforce judgments against our company.
- Our Board of Directors may decline to register transfers of ordinary shares in certain circumstances.
- You may be unable to present proposals before general meetings or extraordinary general meetings not called by shareholders.
- There may be difficulties in protecting your interests under the laws of the Cayman Islands.
- Certain facts, forecasts and statistics contained in this report are derived from a third-party report and publicly available official sources and they may not be reliable.
- We are a “controlled company” within the corporate governance rules of the NASDAQ and, as a result, qualify for, and intend to rely on, the exemption from the requirement that our corporate governance committee be composed entirely of independent directors.
- The dual class structure of our ordinary shares has the effect of concentrating voting control with certain directors and executive officers, and limiting your ability to influence corporate matters. Such interests may conflict with yours in the future.

## **Our Operational and Execution Risks**

***We have incurred significant losses since our inception, and we intend to continue to invest in our business. As a result, we may continue to experience losses in the future.***

We incurred net losses of approximately \$9.65 million, \$1.28 million and \$2.34 million during the years ended September 30, 2025, 2024 and 2023, respectively.

We expect to continue to invest heavily in our product development and operations, to focus on our SaaS platform to increase our user base to support future growth, and to meet our expanded reporting and compliance obligations as a public company. We may not generate sufficient revenue to offset such costs to achieve or sustain profitability in the future.

We believe our current cash, operational cash flow, and the amount available from issuances of Class A Shares from our initial public offering will be sufficient to fund our working capital requirements beyond the next 12 months. This belief assumes, among other things, that we will be able to raise additional equity financing, will continue to be successful in implementing our business strategy and that there will be no material adverse developments in the business, liquidity or capital requirements. If one or more of these factors do not occur as expected, it could have a material adverse impact on our activities, including (i) reduction or delay of our business activities, (ii) forced sales of material assets, (iii) defaults on our obligations, or (iv) insolvency. Our planned investments may not result in increased revenue or growth of our business. We cannot assure you that we will be able to generate revenue sufficient to offset our expected cost increases and planned investments in our business and platform. As a result, we may incur significant losses for the foreseeable future, and may not be able to achieve and/or sustain profitability. If we fail to achieve and sustain profitability, then we may not be able to achieve our business plan, fund our business or continue as a going concern. The financial statements included in this report do not contain any adjustments which might be necessary if we were unable to continue as a going concern.

***We are dependent on our subsidiary Guangzhou Youxin's PaaS platform to provide customized system development services.***

We derive revenue from customized system development services through Guangzhou Youxin's PaaS platform. As such, any significant interruptions to the PaaS platform by hacking, cyberattack or due to telecommunication failures, power shortages, natural disasters or other events which may cause disruptions in our daily operations, may reduce the attractiveness of our services, and result in a potential loss of our clients and their participation and consequently, our business and results of operations could be adversely affected. In addition, any measures to avoid information and technological system failures may not be effective or successful.

***We have a limited operating history, making it difficult to forecast our future results of operations.***

We commenced operations in 2018. Due to the limited operating history, our ability to accurately predict future operating results is limited and subject to a number of uncertainties, including our capacity to plan for future growth. Our past revenue growth is not necessarily indicative of our future performance.

Further, in future periods, our revenue growth could slow down or our revenue could decline for a number of reasons, including slowing demand for our products, increased competition, changes to technology, a decrease in the growth of our overall market, or our failure, for any reason, to continue to take advantage of growth opportunities. We have also encountered, and will continue to encounter, risks and uncertainties frequently experienced by growing companies in rapidly changing industries, such as the risks and uncertainties described below. If our assumptions regarding these risks and uncertainties and our future revenue growth are incorrect, or if we do not address these risks successfully, our operating and financial results could differ materially from our expectations, and the business could suffer.

***We may have insufficient computing resources, transmission bandwidth and storage space, which could result in disruptions and the business, results of operations and financial condition could be adversely affected.***

Our operations are dependent in part upon transmission bandwidth provided by third-party telecommunications network providers for access to data centers to house our servers and other computing resources. There can be no assurance that we are adequately prepared for unexpected increases in bandwidth and data center demands by our clients and their end users. The bandwidth and data centers we use may become unavailable for a variety of reasons, including service outages, payment disputes, network providers going out of business, natural disasters, networks imposing traffic limits, or governments adopting regulations that impact network operations. These bandwidth providers may become unwilling to sell adequate transmission bandwidth at fair market prices, if at all. This risk is heightened where market power is concentrated with one or a few major networks. We also may be unable to move quickly enough to improve the capacity to reflect growing traffic or security demands. Failure to put in place such capacity could result in a reduction in, or disruption of, service to our customers and ultimately a loss of those customers. Such a failure could result in our inability to acquire new customers when demanding capacity that is not available on our platform.

***If our security measures or those of our third-party data center hosting facilities, cloud computing platform providers or third-party service partners, or the underlying infrastructure of the internet are breached, and unauthorized access is obtained to a client's data, our data or our IT systems, or authorized access is blocked or disabled, our services may be perceived as not being secure, clients may refrain from or stop using the services, and we may incur significant reputational harm, legal exposure and liabilities, or a negative financial impact.***

Our services involve the storage and transmission of our clients' and their customers' proprietary and other sensitive data, including financial information and other personal information. While we have security measures in place to protect our clients' and their customers' data, our services and underlying infrastructure may in the future be materially breached or compromised as a result of the following:

- third-party attempts to fraudulently convince our employees, partners or clients to disclose sensitive information such as usernames, passwords or other information to gain access to our clients' data or IT systems, or our data or our IT systems;
- efforts by individuals or groups of hackers and sophisticated organizations, such as state-sponsored organizations or nation-states, to launch coordinated attacks, including ransomware and distributed denial-of-service attacks;
- third-party attempts to abuse our marketing, advertising or social platforms to impersonate persons or organizations and disseminate information that is false or misleading;
- cyberattacks on our internally built infrastructure on which many of our services operate, or on third-party cloud-computing platform providers;
- vulnerabilities resulting from enhancements and updates to our existing service;
- vulnerabilities existing within new technologies and infrastructures, including those from acquired companies;
- attacks on, or vulnerabilities in, the many different underlying networks and services that power the internet our products depend on, most of which are not under our control or the control of our vendors, partners or clients; and
- employee or contractor errors or intentional acts that compromise our security systems.

In addition, the changes in our work environment as a result of the COVID-19 pandemic could adversely affect our security measures, as well as our ability to address and respond to incidents quickly. These risks are mitigated, to the extent possible, by our ability to maintain and improve business and data governance policies, enhanced processes and internal security controls, including our ability to escalate and respond to known and potential risks. Although we have developed systems and processes designed to protect the clients' and their customers' proprietary and other sensitive data, we can provide no assurances that such measures will provide absolute security or that a material breach will not occur. For example, our ability to alleviate these risks may be impacted by the following:

- frequent changes to and growth in complexity of the techniques that is used to breach, obtain unauthorized access to, or sabotage to our IT systems and infrastructure, which are generally not recognized until it is launched against a target, and could result in our being unable to anticipate or implement adequate measures to prevent such techniques;
- the continued evolution of our internal IT system while sharing data and communicating internally and with our partners and clients, which increases the complexity of the IT systems;
- authorization by our clients to third-party technology providers to access client's customer data, which may lead to the clients' inability to protect their data that is stored on our servers; and
- our limited control over the clients or third-party technology providers, or the processing of data by third-party technology providers, which may not allow us to maintain the integrity or security of such transmissions or processing.

To date, such identified security alerts have not been material or significant to us, including to our reputation or business operations. There can be no assurance that future cyberattacks will not be material or significant. Additionally, as our market presence grows, we may face increased risks of cyberattack attempts or security threats.

A security breach or incident could result in unauthorized parties obtaining access to, or the denial of authorized access to our IT systems or data, or our clients' systems or data, including intellectual property and sensitive or other confidential information. A security breach could also result in a loss of confidence in the security of our services, damage our reputation, negatively impact our future sales, disrupt our business and lead to increases in insurance premiums and legal, regulatory and financial exposure and liability. Finally, the detection, prevention and remediation of known or potential security vulnerabilities, including those arising from third-party hardware or software, may result in additional financial burdens due to additional direct and indirect costs, such as additional infrastructure capacity spending to mitigate any system degradation and the reallocation of resources from development activities.

***If we fail to prevent security breaches, improper access to or disclosure of our data or user data, or if it experiences other hacking and attacks, we may lose our users and the business; our reputation, financial condition and results of operations may be materially and adversely affected.***

We have employed significant resources to develop our security measures against breaches. Although we have not experienced any material disruptions, outages, cyberattacks, attempts to breach our systems, or other similar incidents and do not expect the occurrence of such incidents in the future, our cybersecurity measures may not detect, prevent or control all attempts to compromise the systems, including distributed denial-of-service attacks, viruses, malicious software, break-ins, phishing attacks, social engineering, security breaches or other attacks and similar disruptions that may jeopardize the security of information stored in and transmitted by our systems or that it otherwise maintains. Breaches of our cybersecurity measures could result in unauthorized access to our systems, misappropriation of information or data, deletion or modification of client information, or a denial-of-service or other interruption to our business operations. As techniques used to obtain unauthorized access to or sabotage systems change frequently and may not be known until launched against us or our supporting service providers, we may not be able to anticipate, or implement adequate measures to protect against these attacks.

We are likely in the future to be subject to these types of attacks. If we are unable to avert these attacks and security breaches, we could be subject to significant legal and financial liabilities, our reputation would be harmed and we could suffer substantial revenue loss from lost sales and client dissatisfaction. We may not have the resources or technical sophistication to anticipate or prevent rapidly evolving types of cyber-attacks. Cyber-attacks may target us, our suppliers, clients or other participants, or the internet infrastructure on which the business depends. Actual or anticipated attacks and risks may cause us to incur significantly higher costs, including costs to deploy additional personnel and network protection technologies, train employees, and engage third-party experts and consultants. Cybersecurity breaches would not only harm our reputation and business, but also could materially decrease our revenue and net income.

***Defects or disruptions in our services could reduce demand for our services and subject it to substantial liability.***

Because our services are complex and they incorporate a variety of hardware, proprietary software and third-party software, these services may have errors or defects that could result in unanticipated downtime for the clients and causes damage to our reputation and the business. Cloud services frequently contain undetected errors when first introduced or when new versions or enhancements are released. We have from time to time found defects in and experienced disruptions to our services, and new defects or disruptions may occur in the future. Such defects could be the result of any employee, contractor or other third-party acts or inaction, and it could negatively affect our brand and reputation. Additionally, such defects could create vulnerabilities that could inadvertently permit access to our protected clients' data.

In addition, our clients may use the services in unanticipated ways that may cause a disruption in the services for other clients attempting to access their data. If we acquire any companies, we may encounter difficulty in integrating the acquired technologies into our own services and in augmenting the technologies to meet the quality standards that are consistent with our brand and reputation. As a result, our services may have errors or defects resulting from the complexities of integrating acquisitions.

Since our clients use our services for important aspects of their business, any errors, defects and disruptions in service, update of our services or other performance problems could hurt our reputation and may damage our clients' businesses. As a result, clients could assert claims against us, elect to not renew our services or delay or withhold payment to us.

***If we are unable to protect our proprietary information or other intellectual property, our business could be adversely affected.***

We rely on a combination of copyright, trademark and trade secret laws and contractual restrictions through confidentiality, non-disclosure and invention assignment agreements with the key employees and third parties with whom we do business with to establish, maintain and protect the proprietary information and other intellectual property. These agreements may not effectively prevent disclosure of our confidential information, and it may be possible for unauthorized parties to copy the software or other proprietary technology or information, or to develop similar software independently with us lacking an adequate remedy for unauthorized use or disclosure of the confidential information. We may not be able to efficiently detect and prevent all misappropriation, unauthorized use or reverse engineering of the proprietary information and other intellectual property. For example, contractual restrictions may be breached, and we may not succeed in enforcing our rights or have adequate remedies for any breach of laws or contractual restrictions.

Moreover, our trade secrets may be disclosed to or otherwise become known or be independently developed by competitors, and in these situations we may have no or limited rights to stop others' use of our information. Furthermore, to the extent that the employees or other third parties with whom we do business use intellectual property owned by others in their work, disputes may arise as to the rights to such intellectual property. If, for any of the above reasons, our intellectual property is disclosed or misappropriated, it would have an adverse effect on our business, financial condition and results of operations.

***Any interruptions or delays in services from third parties, including data center hosting facilities, cloud computing platform providers and other hardware and software vendors, or from our inability to adequately plan for and manage service interruptions or infrastructure capacity requirements, could impair the delivery of our services and harm the business.***

We currently serve our clients from third-party data center hosting facilities and cloud computing platform providers located in China. We also rely on computer hardware purchased or leased from, software licensed from, and cloud computing platforms provided by third parties in order to offer our services including database software, hardware and data from a variety of vendors. Any disruption or damage to, or failure of our systems generally, including the systems of the third-party platform providers, could result in interruptions in our services. We have from time-to-time experienced interruptions in our platform and such interruptions may occur in the future. As our reliance on these third-party systems increases, particularly with respect to third-party cloud computing platform, our exposure to damage from service interruptions may increase. Interruptions in our services may result in penalties, may cause the clients to make warranty or other claims against us or to terminate their service agreement with us, and adversely affect our attrition rates and our ability to attract new clients, all of which would reduce our revenue. Our business and reputation would also be harmed if our clients and potential clients believe the services are unreliable.

Our production environment and clients' data are replicated in near real time in facilities located on the third-party cloud storage facilities located mainly in Eastern China. We do not control the operation of any of these facilities and they may be vulnerable to damage or interruption from earthquakes, floods, fires, power loss, telecommunications failures and similar events. These facilities may also be subject to break-ins, sabotage, intentional acts of vandalism and similar misconduct, as well as local administrative actions (including shelter-in-place or similar orders), and changes to legal or permitting requirements and litigation to stop, limit or delay operation. Despite precautions taken at these facilities, such as disaster recovery and business continuity arrangements, the occurrence of a natural disaster or pandemic (including the COVID-19 pandemic), an act of terrorism, a decision to close the facilities without adequate notice or other unanticipated problems at these facilities could result in lengthy interruptions in our services.

These hardware, software, data and cloud computing platforms may not continue to be available at reasonable prices, on commercially reasonable terms or at all. Any loss of the right to use any of these hardware, software or cloud computing platforms could significantly increase our expenses and otherwise result in delays in the provisioning of our services until equivalent technology is either developed by us, or, if available, is identified, obtained through purchase or license and integrated into our services.

If we do not accurately plan for the infrastructure capacity requirements and if we experience significant strains on our data center capacity, our clients could experience performance degradation or service outages that may subject them to financial liabilities and result in client losses and harm to our reputation and business. We only export client data and provide it to the client via a manual process by the database administrator if the client requests it in a form of log flow while the client will not have direct export or download access. As of the date of this report, there are not any instances in which we have provided, transferred, or disclosed data information without a client request. Despite precautions taken during this process, any unsuccessful data transfers may impair the delivery of our services, which may affect the business.

***Supporting our existing and growing client base could strain our personnel resources and infrastructure, and if we are unable to scale up our operations and increase productivity, we may not be able to successfully implement our business plan.***

We continue to experience significant growth in our client base and personnel, which has placed a strain on and in the future may stress the capabilities of our management, administrative, operational and financial infrastructure. We anticipate that significant additional investments will be required to scale up our operations and increase productivity, to address the needs of our clients, to further develop and enhance our services, and to expand into new geographic areas for an overall growth. The additional investments will increase our cost base, which will make it more difficult for us to offset any future revenue shortfalls by reducing expenses in the short term. We may not be able to make these investments as quickly or effectively as necessary to successfully scale up our operations.

We regularly upgrade or replace our various software systems and processes. If the implementations of these new applications are delayed, or if we encounter unforeseen problems with our new systems and processes while migrating away from the existing systems and processes, our operations and our ability to manage the business could be negatively impacted. For example, our efforts to further automate our processes for client contracts may be complicated by unanticipated operating difficulties.

Our success will depend in part upon the ability of our senior management to manage our projected growth effectively. To do so, we must continue to increase the productivity of our existing employees and to hire, train and manage new employees as needed. We have offered a mixture of work-from-home and onsite working model to all employees. Our new office model and any adjustments made to our current and future office environment or work-from-home policies may not meet the needs and expectations of our workforce, which could negatively impact our ability to attract and retain employees. To manage the expected domestic and international growth of our operations and personnel, we will need to continue to improve our operational, financial and management controls, our reporting systems and procedures, and our utilization of real estate. If we fail to successfully scale up our operations and increase productivity, we may be unable to execute our business plan.

***If our clients do not renew professional services or if they reduce the frequency of the subscription at the time of renewal, our revenue and current remaining performance obligation could decline and the business may suffer. If we cannot accurately predict renewals or upgrade rates, we may not meet the revenue targets, which may adversely affect the market price of our ordinary shares.***

Our clients have no obligation to renew their subscriptions for our services after the expiration of their contractual professional service period, which is typically 12 months. In general, we will give clients 2 to 3 months' notice before contract expiration to make a decision on renewal. If the clients choose not to renew, we will discontinue the service when the service term expires. In the normal course of business, some clients have elected not to renew or upgrade. In addition, our clients may renew for fewer subscriptions, renew for shorter contract lengths. It is difficult to predict attrition rates given our varied client base and the number of periodic professional service contracts. Our attrition rates may increase or fluctuate as a result of a number of factors, including client dissatisfaction with our services, clients' spending levels, mix of client base, decreases in the number of users with our clients, competition, pricing increases or changes and deteriorating general economic conditions.

Our future success also depends in part on our ability to sell additional features and support services, renewal subscription or enhanced editions of our services to the current clients. Similarly, the rate at which our clients purchase new or enhanced services depends on a number of factors, including general economic conditions and that the clients do not react negatively to any price changes related to these additional features and services.

If the clients do not renew their services, do not purchase additional features, support services or renewal subscriptions or if attrition rates increase, our business could be harmed.

***We depend on a small number of customers to derive a significant portion of our net revenues and this dependence is likely to continue.***

We receive a significant portion of our net revenues from a limited number of major clients. For fiscal years ended September 30, 2025, 2024, and 2023, three, three and four of our customers each accounted for 10% or more of our total net revenue and collectively accounted for approximately 84%, 77% and 76% of our total net revenues, respectively. Our ability to maintain close relationships with these major clients is essential to the success of our business. However, the purchase orders placed by specific clients may vary from period to period, and we typically do not have long-term purchase commitments from our clients. As a result, most of the clients could reduce or cease their use of our products and services at any time without any penalty or termination charges. A major client in one year may not provide the same level of revenues for it in any subsequent year. In addition, reliance on any individual client for a significant portion of our revenues may give that client a degree of pricing leverage when negotiating contracts and terms of service with us.

We typically enter into service agreements with our major clients relative to the technological services we provide, which generally outline the specific services we would provide, the service fees and the terms of service. Any data collected by the clients belong to such clients and they shall implement such rules and policies in relation to the data protection as required by applicable PRC laws and regulations. In addition, if we are in material default as specified under the agreement, we may be subject to payment of liquidated damages and return of any service fees we have received and the client will have the right to terminate the agreement. However, if the client terminates the agreement without any cause, the client shall make full payment of the service fees to us.

In terms of our sales process, the larger clients may demand more configuration, integration services and features. Because of these factors, these sales opportunities may require us to provide more sales support and professional service resources to each client. This could increase the costs and time needed to close sales and shift our own sales and professional service resources to a smaller number of larger transactions. It could also require us to delay revenue recognition on some of these transactions until the technical or implementation requirements have been met. But if our capability to provide standard SaaS products improves in the future, we may gradually rely less on large clients.

For large clients, professional services may also be performed by us, a third party, or a combination of our own staff and a third party. Our strategy is to work with those third parties to increase the breadth of capability and depth of capacity for delivery of these services to our clients. If a client is not satisfied with the quality of work performed by us or a third party or with the type of services or solutions delivered, it could incur additional costs to address the situation which could impair the profitability of a project while the client's dissatisfaction with our services could damage our ability to obtain additional work from that client. In addition, negative publicity related to our client relationships, regardless of our accuracy, may further damage the business by affecting our ability to compete for new business with current or prospective clients.

***We may lose key members of the management team or development and operations personnel and may be unable to attract and retain employees we need to support operations and growth.***

Our success depends substantially upon the continued services of our executive officers and other key members of management. From time to time, there may be changes in the executive management team resulting from the hiring or departure of executives. We are also substantially dependent on the continued service of the existing development and operations personnel because of the complexity of our services and technologies. Our executive officers, key management, development or operations personnel could terminate their employment with us at any time. The loss of one or more of these key employees or groups of employees could seriously harm the business.

The technology industry is subject to substantial and continuous competition for engineers with high levels of experience in designing, developing and managing software and internet-related services, as well as competition for sales executives, data scientists and operations personnel. We are committed to building a diverse workforce. We have experienced, and continue to experience, significant competition in talent recruitment and retention, and may not in the future be successful in our talent recruitment and retention or achieving the diversity goals we have set. We have from time to time experienced, and we expect to continue to experience, difficulty in hiring, developing, integrating and retaining highly skilled employees with appropriate qualifications. If we fail to attract new personnel or fail to retain and motivate the current personnel, the business and future growth prospects could be severely harmed.

***Any failure in our delivery of high-quality professional and technical support services may adversely affect our relationships with our clients and our financial results.***

Our clients depend on our support establishment to resolve technical issues relating to the platform. We may be unable to respond quickly enough to accommodate short-term increases in client demand for support services across our varying and diverse products. Outsourced technical support may be suddenly and adversely impacted by unforeseen events, for example, as it occurred when certain business process outsourced were delayed due to conditions related to the COVID-19 pandemic. In addition, our sales process is highly dependent on our applications and business reputation and on positive recommendations from the existing clients. Any failure to maintain high-quality technical support, or a market perception that we do not maintain high-quality support, could adversely affect our reputation, our ability to sell our service to existing and prospective clients, and our business, operating results and financial position.

## Strategic and Industry Risks

*We operate in an emerging and evolving market. If our market does not grow, or if it cannot expand our products and services to meet the demands of this market, and if we do not compete effectively, our operating results could be harmed, our revenue may decline, or fail to grow, and may continue to incur operating losses.*

The PaaS cloud service market is at an early stage of development in China. There are uncertainties over the size and rate at which this market will grow, as well as whether our solutions and products will be widely adopted. Moreover, the cloud industry is subject to rapid technological change, evolving industry standards, regulations, as well as changing client needs, requirements and preferences. The success of our business will depend, in part, on our ability to adapt and respond effectively to these changes on a timely basis. If it is unable to develop new solutions and products that satisfy our clients and provide enhancements and new features for our existing products that keep pace with rapid technological and industry change, our business, results of operations and financial condition could be adversely affected. If new technologies emerge that are able to deliver competitive products and services at lower prices more efficiently, more conveniently or more securely, such technologies could adversely impact our ability to compete effectively. Our current competitors include:

- companies with internally developed applications (by our current and potential clients' IT departments);
- vendors of packaged business software, as well as companies offering enterprise applications delivered through on-premises infrastructure, enterprise software application vendors and cloud computing application service providers, either individually or with others;
- software companies that provide their product or service free of charge as a single product or when bundled with other offerings, or only charge a premium for advanced features and functionality;
- vendors who offer software tailored to specific services that are more directed toward those specific services than our full suite of service;
- suppliers of traditional business intelligence and data preparation products, as well as business analytics software companies;
- marketing vendors, which may specialize in advertising, targeting, messaging, or campaign automation;
- established and emerging cloud-only vendors and established on-premises vendors with e-commerce solutions productivity tool and email providers, unified communications providers and consumer application companies that have entered the business software market; and
- traditional platform development environment companies and cloud computing development platform companies who may develop toolsets and products that allow clients to build new applications and run on the clients' current infrastructure or as hosted services.

We may face more competition as we expand product sale and marketing. Some of our current and potential competitors may have competitive advantages, such as greater name recognition, longer operating histories, more significant installed bases, broader geographic scope, broader suites of service and larger marketing budgets, as well as substantially greater financial, technical, personnel and other resources. In addition, many of our current and potential competitors have established marketing relationships and access to larger customer bases, and have major distribution agreements with consultants, system integrators and resellers. We also experience competition from smaller, younger competitors that may be more agile in responding to customers' demands. These competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards or customer requirements or provide more competitive pricing. As a result, even if our services are more effective than the products and services that our competitors offer, potential customers might select competitive products and services in lieu of purchasing our services. For all of these reasons, we may not be able to compete successfully against our current and future competitors, which could negatively impact our future sales and harm the business.

***Failure to effectively develop and expand our marketing and sales capabilities could harm our ability to increase our customer base and achieve broader market acceptance of our products and services.***

Historically, we have spent more effort in research and technology to improve our services to attract clients and satisfy their customized needs. Our ability to further increase our customer base and achieve broader market acceptance of our platform will significantly depend on our ability to expand our marketing and sales operations. We also plan to dedicate significant resources to sales and marketing programs. All of these efforts will require us to invest significant financial and other resources and if that fails to attract additional customers and end users our business will be harmed.

Continuing growth in our business is also dependent upon identifying, developing and maintaining strategic relationships with additional retail channels that can drive substantial revenue. If we fail to identify additional channel partners in a timely and cost-effective manner, or at all, or are unable to assist our current and future channel partners in independently selling and deploying our products and services, then our business, operating results, and financial condition could be adversely affected.

***Our efforts to expand the sale and marketing and to develop and integrate the existing services in order to keep pace with technological developments may not succeed and may reduce our revenue growth rate and harm our business.***

We obtain a significant portion of our revenue from our PaaS cloud services and we expect this will continue for the foreseeable future. Our efforts to expand our current service may not succeed and may reduce our revenue growth rate. To attract new clients and end users and keep our existing ones engaged, we must introduce new products and services and upgrade our existing offerings to meet their evolving preferences. It is difficult to predict the preferences of a particular client or a specific group of customers. Changes and upgrades to our existing products may not be well received by our clients and end users, and newly introduced products or services may not achieve success as expected. For example, we may try to introduce more SaaS products for new industry verticals, with which we have little or no prior experience. Such efforts may require us to contribute a substantial amount of additional manpower and financial resources. We cannot ensure that any of such new products will achieve market acceptance or generate sufficient revenues to adequately compensate the costs and expenses incurred in relation to our development and promotion efforts. Enhancements and new products and services that we develop may not be introduced in a timely or cost-effective manner, may contain errors or defects, may have interoperability difficulties with our platform or other products and services or may not achieve the broad market acceptance necessary to generate significant revenue. If we fail to improve the existing products and introduce new ones in a timely or cost-effective manner, our ability to attract and retain clients and end users may be impaired, and our financial performance and prospects may be adversely affected. In addition, we may be required to continuously enhance our artificial intelligence so that quality undertaking can be provided to our clients. Further, the introduction of significant platform changes and upgrades may not succeed, and early-stage interest and adoption of such new services may not result in long term success or significant revenue for it.

If we are unable to develop enhancements to, and new features for, our existing or new services that keep pace with rapid technological developments, our business could be harmed. The success of enhancements, new features and services depends on several factors, including the timely completion, introduction and market acceptance of the feature, service or enhancement by clients, administrators and developers, as well as our ability to seamlessly integrate all of our products and service and develop adequate selling capabilities in new markets. Failure in this regard may significantly impair our revenue growth as well as negatively impact our operating results if the additional costs are not offset by additional revenues. In addition, because our services are designed to operate over various network technologies and on a variety of mobile devices, and our operating systems and computer hardware and software platforms use a standard browser, we will need to continuously modify and enhance our services to keep pace with changes in internet-related hardware, software, communication, browser, application development platform, WeChat Mini program platform and database technologies, as well as continue to maintain and support our services on legacy systems. We may not be successful in either developing these modifications and enhancements or in bringing them to market timely.

Additionally, if we fail to anticipate or identify significant internet-related and other technology trends and developments early enough, or if we do not devote appropriate resources to adapting to such trends and developments, our business could be harmed. Uncertainties about the timing and nature of new network platforms or technologies, or modifications to existing platforms or technologies, including text messaging capabilities, or changes in client usage patterns thereof, could increase our research and development effort or service delivery expenses or lead to our increased reliance on certain vendors. Any failure of our services to operate effectively with future network platforms and technologies could reduce the demand for our services, result in client dissatisfaction and harm the business.

***Our continued success depends on our ability to maintain and enhance our brands.***

The brand identities that we have developed, including associations with trust, client priority and innovation, have significantly contributed to the success of our business. Maintaining and enhancing our brands are critical to expanding our base of clients, partners and employees. Our brands' strength, particularly for our core services, will depend largely on our ability to remain a technology advantage and continue to provide high-quality innovative products, services and features securely reliably and in a manner that enhances our clients' success even as we scale up and expand our services. In order to maintain and enhance the strength of our brands, we may make substantial investments to expand or improve our product and services or enter new markets that may be accompanied by initial complications or ultimately prove to be unsuccessful.

If we fail to maintain, enhance or protect our brands, or if we incur excessive expenses in our efforts to do so, our business, operating results and financial condition may be materially and adversely affected.

***If third-party developers and providers do not continue to embrace our technology delivery model and enterprise cloud computing services, or if our clients seek warranties from us for third-party applications, integrations, data and content, our business could be harmed.***

Our success depends on the willingness of a growing community of third-party developers and implementation engineers to build applications and provide integrations, data and content that are complementary to our services. Without the continued development of these applications and provision of such integrations, data and content, both current and potential clients may not find our services sufficiently attractive, which could impact future sales. In addition, for those clients who authorize a third-party technology partner access to their data, it does not provide any warranty related to the functionality, security or integrity of data access, transmission or processing. Despite contract provisions to protect us, clients may look to us to support and provide warranties for the third-party applications, integrations, data and content, even though those are not developed or sold by us, which may expose us to potential claims, liabilities and obligations, all of which could harm our reputation and our business.

***Because we generally recognize revenue over the term of our customer agreements, downturns or upturns in new business may not be immediately reflected in our operating results.***

We generally recognize revenue from clients ratably over the terms of their service and support agreements, which are typically 12 months. As a result, most of the revenue we report in each quarter is the result of subscription and support agreements entered into during previous quarters. Consequently, a decline in new or renewed service in any one quarter may not be reflected in our revenue results for that quarter. Any such decline, however, will negatively impact our revenue in future quarters. Accordingly, the effect of significant downturns in sales and market acceptance of our services, and changes in our attrition rate, may not be fully reflected in our results of operations until future periods, including changes resulting from the effects of the COVID-19 pandemic.

***We benefit from integration of our products and services with those of our business partners. If these business partners choose not to partner with us in the future, our business and results of operations may be harmed.***

We benefit from integration of our products and services with our business partners, for example, we are a member of Tencent's Cloud Native Accelerator, cooperating with Tencent's WeCom, regarding implementation. We also work with implementers such as Bluelinksys. If entities who serve as our business partners change their cooperation model with us, our business, results of operations and financial condition may be adversely affected. We may also face competition from our business partners in a number of areas, including innovations in our businesses. Such competition may adversely affect our competitive position, business prospects and our relationship with our business partners. It may be necessary in the future to renegotiate agreements relating to various aspects of these collaborations or business partnerships. In addition, if our business partners choose not to partner with us, or choose to form collaborations with our competitors' platforms, our business, financial condition and results of operations could be harmed.

## Legal and Regulatory Risks

***Changes in laws and regulations related to the internet or changes in the internet infrastructure itself may diminish the demand for our products and solutions, and could adversely affect our business, results of operations and financial condition.***

The future success of our business depends upon the continued use of the internet as a primary medium for commerce, communications and business applications. Chinese government bodies or agencies have in the past adopted, and may in the future adopt, laws or regulations affecting IT companies. Changes in these laws or regulations could require us to modify our products and platform in order to comply with these changes. In addition, government agencies or private organizations have imposed and may impose additional taxes, fees or other charges for accessing the internet or commerce conducted via the internet. These laws or charges would limit the growth of internet-related commerce or communications generally or result in reductions in the demand for internet-based products and services such as our products and platform. Furthermore, the use of the internet as a business tool could be adversely affected due to delays in the development or adoption of new standards and protocols to handle increased demands of internet activity, security, reliability, cost, ease-of-use, accessibility and quality of service. The performance of the internet and its acceptance as a business tool has been adversely affected by “viruses,” “worms,” and similar malicious programs. If the use of the internet is reduced as a result of these or other issues, then demand for our products could decline, which could adversely affect our business, results of operations and financial condition.

***Failure to obtain, renew, or retain licenses, permits or approvals or failure to comply with applicable laws and regulations may affect our ability to conduct business.***

The licensing requirements within the PRC cloud service industry are constantly evolving and we may be subject to more stringent regulatory requirements due to changes in the political or economic policies in China. The failure to obtain and/or maintain the licenses and permits required to conduct our business may subject us to various penalties, including confiscation of revenues, imposition of fines and/or restrictions on our business operations, or the discontinuation of our operations. Any such disruption in our business operations could materially and adversely affect our business, financial condition and results of operations. See “Regulations” for more details. However, we cannot assure you that we will be able to successfully obtain the licenses, including but not limited to the value-added telecommunication licenses with local counterparts of the Ministry of Industry and Information Technology, or the MIIT, when required under applicable laws and regulations on a timely basis. Failure to do so may materially and adversely affect our business, financial condition, results of operations and prospects.

As of the date of this report, our WFOE has obtained the registration certificate of foreign exchange on September 4, 2023.

***Any failure to obtain registration or protection of our intellectual property rights could impair our ability to protect our proprietary technology and our brand, causing us to incur significant expenses and harm our business.***

If we fail to protect our intellectual property rights adequately, our competitors may gain access to our technology, affecting our brand, causing us to incur significant expenses and harming our business. Any of our patents, trademarks or other intellectual property rights may be challenged by others or invalidated through administrative process or litigation. While we have many Chinese patents and pending Chinese and international patent applications, we may be unable to obtain patent protection for the technology covered in our patent applications or the patent protection may not be obtained quickly enough to meet our business needs. In addition, our existing patents and any patents issued in the future may not provide us with competitive advantages or may be challenged by third parties. Despite our efforts, we may still be unable to prevent third parties from using our intellectual property.

We may be required to spend significant resources and expenses to monitor and protect our intellectual property rights. We may initiate claims or litigation against third parties for infringement of our proprietary rights or to establish the validity of our proprietary rights. If we fail to protect our intellectual property rights, it could impact our ability to protect our technology and brand. Furthermore, any litigation, whether it is resolved in our favor, could result in significant expense to us, causing us to divert time and resources from our core business which results in harming our business.

***We may be subject to claims by third parties for intellectual property infringement.***

The software and internet industries are characterized by the existence of a large number of patents, trademarks, trade secrets and copyrights and by frequent litigation based on allegations of infringement or other violations of intellectual property rights. We depend to a large extent on our ability to effectively develop and maintain intellectual property rights relating to the business. However, we cannot assure you that third parties will not put forward claims that our business infringes upon or otherwise violates patents, copyrights or other intellectual property rights which they hold, whether valid or otherwise. For example, some of the trademarks we use are not registered with the competent authorities. We may face allegations that we have infringed the trademarks, copyrights, patents and other intellectual property rights of third parties, including our competitors, or allegations that we are involved in unfair trade practices. Our PaaS cloud service business and SaaS standard product may become involved in litigious proceedings relating to allegations of infringement of intellectual property rights, unfair competition, invasion of privacy, defamation and violations of rights of third parties. The validity, enforceability and scope of protection of intellectual property rights, particularly within China, are still evolving. As we may face increasing competition and as litigation becomes a more commonly pursued method for resolving commercial disputes in China, we may face a higher risk of being the subject of intellectual property infringement claims.

Defending against intellectual property claims is costly, time-consuming and can impose a significant burden on our management and resources. Further, there is no guarantee that we can obtain favorable final outcomes in all cases. Any adverse determination or settlement related to intellectual property claims or other litigation could prevent us from offering our services to others, could be material to our financial condition or cash flows, or both, or could otherwise adversely affect our operating results, including our operating cash flow in a particular period. In addition, depending on the nature and timing of any such dispute, an unfavorable resolution of a legal matter could materially affect our current or future results of operations or cash flows in a particular period.

***We face challenges from the evolving regulatory environment and user attitude toward data privacy and protection. Actual or alleged failure to comply with data privacy and protection laws and regulations could materially and adversely affect our business and results of operations.***

We operate in a regulatory environment in which data privacy and protection is evolving. We cannot assure you that relevant governmental authorities will not interpret or implement the laws or regulations in ways that negatively affect the cloud service industry, our clients and us. Regulatory investigations, restrictions, penalties and sanctions, whether targeted at us or not, may negatively affect the market environment in which we operate, our existing or potential clients, and our products and services, which may in turn have a material adverse effect on our business, results of operations and financial condition. It is also possible that we may become subject to additional or new laws and regulations regarding data privacy and protection in connection with the data we have access to and the data products and services we provide to our clients. Moreover, we may become subject to regulatory requirements as a result of utilization of our products and services by residents of, or travelers who visit, certain jurisdictions, such as the General Data Protection Regulation of the European Union, or the GDPR. Complying with additional or new regulatory requirements could force us to incur substantial costs or require us to change our business practices. Moreover, if a high-profile security breach occurs with respect to our competitors, people may lose trust in the security of cloud service providers generally, including us, which could damage the reputation of the industry, result in heightened regulation and strengthened regulatory enforcement and adversely affect our business and results of operations.

In recent years, the PRC government has enacted legislation relating to internet use to protect personal information from any unauthorized disclosure. For example, On August 22, 2019, the Cyberspace Administration of China (“CAC”) issued the Regulation on Cyber Protection of Children’s Personal Information, effective on October 1, 2019. On November 28, 2019, CAC, the General Office of the Ministry of Industry and Information Technology (“MIIT”), the General Office of the Ministry of Public Security (“MPS”) and the General Office of the State Administration for Market Regulation (“SAMR”) promulgated the Method for Identifying the Illegal Collection and Use of Personal Information by Apps, taking effect on November 28, 2019. The Cybersecurity Law of the PRC (the “Cybersecurity Law”), as adopted by the Standing Committee of the National People’s Congress (“SCNPC”) on November 7, 2016, has come into force on June 1, 2017. In addition, SCNPC promulgated the Data Security Law of the People’s Republic of China (the “Data Security Law”) on June 10, 2021, which became effective on September 1, 2021. The Administrative Provisions on Security Vulnerability of Network Products (the “Provisions”) was jointly promulgated by the MIIT, the CAC and the MPS on July 12, 2021 and took effect on September 1, 2021. Personal Information Protection Law (the “Personal Information Protection Law”) was promulgated in August 2021 and became effective on November 1, 2021. On December 28, 2021, the CAC and certain other PRC regulatory authorities promulgated the Measures for Cybersecurity Review (the “Cybersecurity Review Measures”). The Cybersecurity Review Measures took effect on February 1, 2022 and replace the Measures for Cybersecurity Review promulgated in April 2020. On July 7, 2022, the CAC promulgated the Measures on Security Assessment of Cross-border Data Transfer, which became effective on September 1, 2022. On December 8, 2022, the MIIT issued the Measures for Data Security Administration in the Industry and Information Technology Field (Trial Implementation) (the “Administration Measures”), which became effective on January 1, 2023. See “Regulations” for more details.

The above laws and regulations are relatively new and subject to interpretation by the regulator. Although we only gain access to limited personal contact information that is necessary for, and relevant to, the services provided, we cannot assure you that whether the data we obtain, and use may include information that is deemed as “personal information” under the PRC Cyber Security Law and related data privacy and protection laws and regulations. We have placed great emphasis on protection of consumer’s data privacy and have established the information security management system; we have adopted rigorous data security measures to prevent our data from unauthorized access or use or being retrieved to establish any connection with the device owners’ identities. We will store the mobile phone number, ID number and address information of users in the order and payment module. However, such information is desensitized, so we do not have the ability to access user information in the whole chain. Technically, we have symmetric key to protect the security of customers. We strive to comply with all applicable laws and regulations relating to privacy and data collection, processing, use, and disclosure. These laws and regulations are continually evolving, are not always clear, and are not always consistent across the jurisdictions in which we do business, and the measures we take to comply with these laws, regulations and industry standards may not always be effective. In addition, there has been an increase in regulatory activities in connection with privacy and data protection in China, and the regulatory landscape is becoming more complex with increasingly strict requirements. We may be subject to litigation or enforcement action or reduced demand for the solutions or services if our suppliers or our clients fail to abide by applicable privacy laws or to provide adequate notice and/or obtain consent from end users. Any proceeding or perception of concerns relating to our collection, use, disclosure, and retention of data, including our security measures applicable to the data we collect, whether or not valid, could adversely affect our reputation. In addition to government regulation, privacy advocates and industry groups have and may in the future propose self-regulatory standards from time to time. These and other industry standards may legally or contractually apply to us, or we may elect to comply with such standards. We expect that there will continue to be new proposed laws and regulations concerning data privacy and security, and we cannot yet determine the impact such future laws, regulations and standards may have on our business. New laws, amendments to or re-interpretations of existing laws, regulations, standards and other obligations may require us to incur additional costs and restrict our business operations. Because the interpretation and application of laws, regulations, standards and other obligations relating to data privacy and security are still uncertain, it is possible that these laws, regulations, standards and other obligations may be interpreted and applied in a manner that is inconsistent with our data processing practices and policies or the features of our products and services. If so, in addition to the possibility of fines, lawsuits, regulatory investigations, public censure, other claims and penalties, and significant costs for remediation and damage to our reputation, we could be materially and adversely affected if legislation or regulations are expanded to require changes in our data processing practices and policies or if governing jurisdictions interpret or implement their legislation or regulations in ways that negatively impact our business, financial condition and results of operations. Furthermore, the developing requirements relating to clear and prominent privacy notices (including in the context of obtaining informed and specific consents to the collection and processing of personal data, where applicable) may potentially deter end users from consenting to certain uses of their personal data. In general, negative publicity of us or our industry regarding actual or perceived violations of our end users’ privacy-related rights, including fines and enforcement actions against us or other similarly placed businesses, also may impair users’ trust in our privacy practices and make them reluctant to give their consent to share their data with us. Any inability to adequately address data privacy or security-related concerns, even if unfounded, or to comply with applicable laws, regulations, standards and other obligations relating to data privacy and security, could result in additional cost and liability to us; it could harm our reputation and brand, damage our relationships with consumers and have a material and adverse impact on our business, financial condition and results of operations.

***Actual or alleged failure to comply with data privacy and protection laws and regulations could have a serious adverse effect on our reputation, and discourage current and potential consumers and users from using our services and adversely affect our business.***

We are not a platform company that processes and analyzes user data to generate revenue. Instead, we are purely an enterprise software service company that only charges for product features. While we have adopted some measures to comply with the laws and regulations relating to the protection of personal information in China, we cannot guarantee the effectiveness of these measures. Any failure or perceived failure to comply with all applicable data privacy and protection laws and regulations, any failure or perceived failure of our employees to comply with our internal control measures, may result in negative publicity and legal proceedings or regulatory actions against it, and could damage our reputation, discourage current and potential agents, consumers and service providers from using the services and subject it to fines and damages, which could have a material adverse effect on our business and results of operations.

With regard to our commercial arrangements, we and our counterparties, including third-party developers and external service providers, might be subject to contractual obligations regarding the processing of personal data. While we believe our and our counterparties' conduct under these agreements is in material compliance with all applicable laws, regulations, standards, certifications and orders relating to data privacy or security, we or our counterparties may fail, or be alleged to have failed, to be in full compliance. In the event that our acts or omissions result in alleged or actual failure to comply with applicable laws, regulations, standards, certifications and orders relating to data privacy or security, we may incur liability. While we endeavor to include indemnification provisions or other protections in such agreements to mitigate liability and losses stemming from our counterparties' acts or omissions, we may not always be able to negotiate for such protections and, even where we can, there is no guarantee that our counterparties will honor such provisions or that such protections will cover the full scope of our liabilities and losses.

***Our insurance coverage may be inadequate to cover all significant risk exposures.***

Insurance companies in China currently do not offer as extensive an array of insurance products as insurance companies in more developed economies. Currently, we do not have any business liability or disruption insurance to cover our operations, which is a general market practice in cloud service industry. We have determined that the costs of insuring for these risks and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for us to have such insurance. Any uninsured business disruptions may result in our incurring substantial costs and the diversion of resources, which could have an adverse effect on our results of operations and financial condition.

***We may be involved in legal and other proceedings arising out of our operations from time to time and may face significant liabilities as a result.***

We may be involved in disputes arising from our operations. These disputes may lead to various legal or other proceedings and may result in substantial costs, damages to our brand and reputation and a diversion of resources and management's attention. In addition, we may have disagreements with regulatory bodies in the course of our operations which may subject us to administrative proceedings and unfavorable decrees that result in pecuniary liabilities or otherwise disrupt the business operations. We cannot assure you that we will not be involved in any major disputes or legal or other proceedings in the future. Furthermore, we seek to structure our business in a tax efficient manner. If any of our arrangements are successfully challenged by the relevant tax authorities, we may incur additional tax liabilities, which could adversely affect our financial condition or results of operations. On top of that, from time to time our directors and senior management may be parties to litigation or other legal proceedings. Even though we may not be directly involved in such proceedings, such proceedings may affect our reputation and, consequently, adversely impact our business.

***We rely on a limited number of suppliers, manufacturers, and logistics partners for our products. A loss of any of these partners could negatively affect our business.***

We rely on a limited number of suppliers and customers for our products, which exposes to supply chain and other risks. We have previously experienced, and may experience in the future, logistical constraints that cause delays. Although we believe we have redundancy and alternatives for the suppliers for the key components of our products, our reliance on a limited number of suppliers for the components and parts for our products and geographic concentration among our suppliers increase our supply chain risk. In addition, we do not have long-term binding commitments with any of our suppliers and instead operate on a purchase order basis. Therefore, we have no guarantee that they will continue to supply products or components for us on an ongoing basis. In the event of interruption from any of our suppliers, we may not be able to replace or increase capacity from other sources or develop alternate or secondary sources without incurring material additional costs and substantial delays. Such suppliers also have experienced and may continue to experience logistical constraints arising from the COVID-19 pandemic.

Our suppliers and partners have no obligation to continue to accept purchase orders from us, and we may be unable to get them to accept additional orders or engage an alternate supplier on terms that are acceptable to us, which may undermine our ability to deliver our products to customers in a timely manner. For example, it may take a significant amount of time to identify a supplier that has the capability and resources to build our SaaS products and PaaS platform to our specifications in sufficient volume. Identifying suitable suppliers and logistics partners is an extensive process that requires us to become satisfied with their quality control, technical capabilities, responsiveness and service, financial stability, regulatory compliance, and labor and other ethical practices. Accordingly, a loss of any of our significant suppliers or logistics partners could have an adverse effect on our business, financial condition, and results of operations.

## Risks Related to Doing Business in China

The operational and legal risks associated with being based in and having operations in China also to the extent applicable apply to operations in Hong Kong and Macau which operate under different sets of laws from those of Mainland China.

***The China regulatory authority has the right to regulate our operations in accordance with the PRC laws and regulations, which could result in a material change in our operations and/or the value of the securities we are registering for sale.***

Youxin Technology Ltd is a holding company and is not a Chinese operating company. As a holding company with no material operations of its own, it conducts all of its operations and operates its business in China through its PRC subsidiaries, in particular, WFOE and its subsidiary, Guangzhou Youxin. Our operations are all located in China, and all of our clients are PRC persons. Because of our corporate structure as a Cayman Islands holding company with operations conducted by our PRC subsidiaries, the China regulatory authority may exercise oversight, and the regulations to which we are subject may change. As a result, the application, interpretation, and enforcement of new and existing laws and regulations in China may be subject to change. In addition, these laws and regulations may be interpreted and applied inconsistently by different agencies or authorities, and inconsistently with our current policies and practices. New laws, regulations, and other government directives in China may require additional costs to comply with, and such compliance or any associated inquiries or investigations or any other government actions may:

- delay or suspend our development;
- result in negative publicity on our reputation or increase our operating costs;
- require significant management time and attention; and
- subject us to remedies, administrative penalties and even criminal liabilities that may harm our business, including fines assessed for our current or historical operations, or demands or orders that we modify or even cease our business practices.

The promulgation of new laws or regulations, or the new interpretation of existing laws and regulations, in each case that restrict or otherwise unfavorably impact the ability or manner in which we conduct our business could require us to change certain aspects of our business to ensure compliance, which could decrease demand for our products, increase costs, require us to obtain more licenses, permits, approvals or certificates, or subject us to additional liabilities. To the extent any new or more stringent measures are required to be implemented, our operations could be materially and adversely affected as well as the value of our ordinary shares.

***The Chinese government exerts oversight and supervision over the manner in which we must conduct our business activities and may intervene or influence our operations at any time in accordance with the applicable laws and regulations, which could result in a material change in our operations and the value of our shares.***

The Chinese government has exercised and continues to exercise oversight and supervision over the Chinese economy in accordance with applicable laws and regulations. Our ability to operate in China is subject to by changes in those laws and regulations, including those relating to securities regulation, data protection, cybersecurity and mergers and acquisitions and other matters. The central or local governments of these jurisdictions may impose new, stricter regulations that would require additional expenditures and efforts on our part to ensure our compliance with such regulations.

Our business may be subject to various government and regulatory interference in the provinces in which we operate. We may incur increased costs necessary to comply with existing and newly adopted laws and regulations or penalties for any failure to comply. Our operations could be affected, directly or indirectly, by existing or future laws and regulations relating to our business or industry.

Given recent statements by the Chinese government indicating an intent to exert more oversight and control over offerings that are conducted overseas and/or foreign investment in China-based issuers, any such action could significantly limit or completely hinder our ability to continue to offer securities to investors and cause the value of such securities to significantly decline or become worthless.

***Chinese government agencies may exert more oversight and control over offerings that are conducted overseas and in foreign investment in China-based issuers, especially those in the technology field. Additional compliance procedures may be required in connection with this offering under PRC rules, regulations or policies.***

The Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors, or the M&A Rules, adopted by six PRC regulatory agencies in 2006 and amended in 2009, requires an overseas special purpose vehicle formed for listing purposes through acquisitions of PRC domestic companies and controlled by PRC companies or individuals to obtain the approval of the China Securities Regulatory Commission prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange. Substantial uncertainty remains regarding the scope and applicability of the M&A Rules to offshore special purpose vehicles.

On February 17, 2023, the CSRC issued the Trial Administrative Measures and relevant supporting guidelines, which became effective on March 31, 2023. According to the New Administrative Rules Regarding Overseas Listings, among other things, a domestic enterprise in the PRC that seeks to offer and list securities in overseas markets shall fulfill the filing procedures with the CSRC in accordance with the Trial Administrative Measures. Where a domestic enterprise seeks to directly offer and list securities in overseas markets, the issuer shall file with the CSRC. Where a domestic enterprise seeks to indirectly offer and list securities in overseas markets, the issuer shall designate a major domestic operating entity, which shall, as the domestic responsible entity, file with the CSRC. Initial public offerings or listings in overseas markets shall be filed with the CSRC within 3 working days after the relevant application is submitted overseas. If an issuer offers securities in the same overseas market where it has previously offered and listed securities, filings shall be made with the CSRC within 3 working days after the offering is completed. Upon occurrence of any material event, such as change of control, investigations or sanctions imposed by overseas securities regulatory agencies or other relevant competent authorities, change of listing status or transfer of listing segment, or voluntary or mandatory delisting, after an issuer has offered and listed securities in an overseas market, the issuer shall submit a report thereof to the CSRC within 3 working days after the occurrence and public disclosure of such event. Pursuant to the Trial Administrative Measures, if the issuer meets both the following criteria, the overseas securities offering and listing conducted by such issuer will be deemed an indirect overseas offering by PRC domestic companies: (i) 50% or more of any of the issuer's operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent fiscal year is attributed to domestic companies; and (ii) the main parts of the issuer's business activities are conducted in the PRC, or its main place(s) of business are located in the PRC, or the majority of senior management staff in charge of its business operations and management are PRC citizens or have their usual place(s) of residence located in the PRC. Since our PRC subsidiary Guangzhou Youxin contributed more than 50% of our consolidated revenues, profit, total assets or net assets for each of the fiscal years ended September 30, 2023, 2024 and 2025 and our operations are substantially conducted in the PRC, any public offering of our securities would likely be identified as indirect offerings by domestic companies under the Trial Administrative Measures and therefore we would be subject to the filing requirements for any public offering thereunder.

Any failure of us to fully comply with new regulatory requirements may significantly limit or completely hinder our ability to offer or continue to offer our ordinary shares, cause significant disruption to our business operations, and severely damage our reputation, which would materially and adversely affect our financial condition and results of operations and cause our ordinary shares to significantly decline in value or become worthless. On December 27, 2020, the MOFCOM, and the NDRC promulgated the Special Administrative Measures for Access of Foreign Investment (2021 Edition), or the Negative List (2021). On September 6, 2024, the MOFCOM, and the NDRC promulgated the Special Administrative Measures for Access of Foreign Investment (2024 Edition), or the Negative List (2024). The Negative List (2024) stipulates that if a domestic enterprise engaged in business in the prohibited investment field issues shares abroad and is listed for trading, it shall be examined and approved by the relevant competent authorities of the state. According to a press release issued by the NDRC in relation to the Negative List (2021), the above provisions are only applicable to the direct overseas listing of domestic enterprises engaged in the prohibited investment field. However, if the CSRC or other regulatory agencies later promulgate new rules or explanations requiring that we should obtain such approvals for this offering and any follow-on offering, we may be unable to obtain such approvals which could significantly limit or completely hinder our ability to offer or continue to offer securities to our investors. The CSRC or other PRC regulatory agencies may also take actions requiring us, or making it advisable for us, to halt this offering before the settlement and delivery of the ordinary shares that we are offering. Consequently, if you engage in market trading or other activities in anticipation of and prior to the settlement and delivery of the ordinary shares we are offering, you would be doing so at the risk that the settlement and delivery may not occur. Any uncertainties or negative publicity regarding such approval requirements could have a material adverse effect on our ability to complete this offering or any follow-on offering of our securities or the market for and market price of our ordinary shares.

Our business is subject to various government regulations and regulatory interference. We may incur increased costs necessary to comply with existing and newly adopted laws and regulations or penalties for any failure to comply. Furthermore, given recent statements by the Chinese government indicating an intent to exert more oversight and control over offerings that are conducted overseas, although as of the date of this report, we have not been involved in any investigations initiated by the applicable governmental regulatory authorities, nor have we received any inquiry, notice, warning, or sanction in such respect, it is uncertain whether or when we might be required to obtain permission from any related PRC government to list our shares on Nasdaq, and even if such permission is obtained, whether it will be later denied or rescinded, which could significantly limit or completely hinder our ability to offer or continue to offer our ordinary shares to investors and cause the value of our ordinary shares to significantly decline or be worthless. If our subsidiary (i) do not receive or maintain such permissions or approvals, should the approval be required in the future by the PRC government, (ii) inadvertently conclude that such permissions or approvals are not required, or (iii) applicable laws, regulations, or interpretations change and we are required to obtain such permissions or approvals in the future, our operations and financial conditions could be materially adversely affected, and our ability to offer securities to investors could be significantly limited or completely hindered and the securities currently being offered may substantially decline in value and be worthless.

***If we are unable to complete the filing with the CSRC in a timely manner, the securities to be offered may substantially decline in value and become worthless.***

According to the Trial Measures and the five supporting guidelines (collectively, the “New Overseas Listing Rules”), a domestic enterprise in the PRC that seeks to offer and list securities in overseas markets shall fulfill the filing procedures with the CSRC in accordance with the Trial Administrative Measures. Where a domestic enterprise seeks to directly offer and list securities in overseas markets, the issuer shall file with the CSRC. Where a domestic enterprise seeks to indirectly offer and list securities in overseas markets, the issuer shall designate a major domestic operating entity, which shall, as the domestic responsible entity, file with the CSRC. Initial public offerings or listings in overseas markets shall be filed with the CSRC within three working days after the relevant application is submitted overseas. If an issuer offers securities in the same overseas market where it has previously offered and listed securities, filings shall be made with the CSRC within three working days after the offering is completed. Upon occurrence of any material event, such as change of control, investigations or sanctions imposed by overseas securities regulatory agencies or other relevant competent authorities, change of listing status or transfer of listing segment, or voluntary or mandatory delisting, after an issuer has offered and listed securities in an overseas market, the issuer shall submit a report thereof to the CSRC within three working days after the occurrence and public disclosure of such event. Pursuant to the Trial Administrative Measures, if the issuer meets both the following criteria, the overseas securities offering and listing conducted by such issuer will be deemed an indirect overseas offering by PRC domestic companies: (i) 50% or more of any of the issuer’s operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent fiscal year is attributed to domestic companies; and (ii) the main parts of the issuer’s business activities are conducted in the PRC, or its main place(s) of business are located in the PRC, or the majority of senior management staff in charge of its business operations and management are PRC citizens or have their usual place(s) of residence located in the PRC.

According to the Notice on the Administrative Arrangements for the Filing of the Overseas Securities Offering and Listing by Domestic Companies from the CSRC, or the CSRC Notice, the domestic companies that have already been listed overseas before the effective date of the Overseas Listing Trial Measures (i.e. March 31, 2023) shall be deemed as the Existing Issuers. Although Existing Issuers are not required to complete the filing procedures immediately, Existing Issuers shall be required to file with the CSRC for any subsequent offerings.

Since we did not obtain approval from the SEC for the overseas offering and listing of our Class A Shares on or before March 31, 2023, our PRC counsel advised us that we are required to complete the filing procedures with the CSRC in connection with our initial public offering and listing. We submitted the required filing materials to the CSRC on June 7, 2023. As of the date of this report, the CSRC has accepted the filing application documents and has provided its comments on July 11, 2023. We have submitted the response to those comments on July 25, 2023. On February 7, 2024, we have received from the CSRC a filing notice which indicated that we had completed the required filing application procedures for this offering. According to the Overseas Listing Trial Measures issued by the CSRC, which became effective on March 31, 2023, the CSRC will conclude the filing procedures and publish the filing results on the CSRC website within twenty working days after receiving the filing documents if the filing documents are complete and comply with the stipulated documents. However, during the filing process, the CSRC may request us to comply with additional documents or may consult with competent authorities, the time for which will not be counted in the twenty working days. Any failure on our part to fully comply with new regulatory requirements may significantly limit or completely hinder our ability to offer or continue to offer our Class A Shares, which will cause significant disruption to our business operations, and severely damage our reputation, which would materially and adversely affect our financial condition and results of operations and cause our Class A Shares to significantly decline in value or become worthless. We submitted the required filing materials to the CSRC on June 7, 2023 and we have received the filing notice dated February 7, 2024 from the CSRC in relation to our overseas offering and listing, which indicated that we had completed the required filing application procedures for this offering.

***Additional compliance procedures may be required in connection with this offering, due to the promulgation of the new filing-based administrative rules for overseas offering and listing by domestic companies in China, which could significantly limit or completely hinder our ability to offer or continue to offer our ordinary shares to investors and could cause the value of our ordinary shares to significantly decline or become worthless.***

Relative to the CSRC's Trial Measures and five supporting guidelines, which went into effect on March 31, 2023, and pursuant to Article 16 of the Trial Measures, domestic companies that seek to offer or list securities overseas, both directly and indirectly, shall complete filing procedures with the CSRC pursuant to the requirements of the Trial Measures. Where an issuer offers securities in the same overseas market after overseas initial public offerings or listing, it shall complete filing procedures with the CSRC within three working days after completion of offering.

Pursuant to the Trial Administrative Measures, we have to file with the CSRC with respect to this offering. According to the Overseas Listing Trial Measures issued by the CSRC, CSRC will conclude the filing procedures and publish the filing results on the CSRC website within twenty working days after receiving the filing documents, if the filing documents are complete and in compliance with the stipulated requirements. However, during the filing process, the CSRC may request our company to supply additional documents or may consult with competent authorities, the time for which will not be counted in the twenty working days. The required filing materials with the CSRC in relation to the initial public offering in the same overseas market include (without limitation): (i) record-filing reports and related undertakings; (ii) compliance certificates, filing or approval documents from the primary regulators of applicants' businesses (if applicable); (iii) security assessment opinions issued by related departments (if applicable); (iv) PRC legal opinions issued by domestic law firms (with related undertakings); and (v) prospectus or listing documents. Pursuant to the Trial Administrative Measures, if the issuer meets both the following criteria, the overseas securities offering and listing conducted by such issuer will be deemed as indirect overseas offering by PRC domestic companies: (i) 50% or more of any of the issuer's operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent fiscal year is attributed to domestic companies; and (ii) the main parts of the issuer's business activities are conducted in the PRC, or its main place(s) of business are located in the PRC, or the majority of senior management staff in charge of its business operations and management are PRC citizens or have their usual place(s) of residence located in the PRC.

Since our PRC subsidiary contributed more than 50% of our consolidated revenues, profit, total assets or net assets for each of the fiscal years ended September 30, 2025, September 30, 2024 and September 30, 2023, and our operations are substantially conducted in the PRC, this offering constitutes an indirect offering by domestic companies under the Trial Administrative Measures and we are therefore required to complete the filing procedures with the CSRC in connection with this offering. Any failure or perceived failure of our company to fully comply with the filing requirements could significantly limit or completely hinder our ability to offer or continue to offer securities to investors, cause significant disruption to our business operations, and severely damage our reputation, which could materially and adversely affect our financial condition and results of operations and could cause the value of our securities to significantly decline or be worthless. Also see “RISK FACTORS – *Risks Related to Doing Business in China – If we are unable to complete the filing with the CSRC in a timely manner, the securities to be offered may substantially decline in value and become worthless*” for more details as to the risks related to our compliance of the Trial Measures.

***PRC laws and regulations governing our current business operations are sometimes vague and uncertain and any changes in such laws and regulations may impair our ability to operate profitably.***

There are substantial uncertainties regarding the interpretation and application of PRC laws and regulations including, but not limited to, the laws and regulations governing our business and the enforcement and performance of our arrangements with clients in certain circumstances. The laws and regulations are sometimes vague and may be subject to future changes, and their official interpretation and enforcement may involve substantial uncertainty. The effectiveness and interpretation of newly enacted laws or regulations, including amendments to existing laws and regulations, may be delayed, and our business may be affected if we rely on laws and regulations which are subsequently adopted or interpreted in a manner different from our understanding of these laws and regulations. New laws and regulations that affect existing and proposed future businesses may also be applied retroactively. We cannot predict what effect the interpretation of existing or new PRC laws or regulations may have on our business.

The PRC legal system is a civil law system based on written statutes. Prior court decisions are encouraged to be used for reference, but it remains unclear to what extent the prior court decisions may impact the current court ruling as the encouragement policy is new and there is limited judicial practice in this regard. Since a large number of laws and regulations are relatively new and the PRC legal system continues to rapidly evolve, the interpretations of many laws, and regulations and rules are not always uniform and the enforcement of these laws, regulations and rules involves uncertainties.

In 1979, the PRC government began to promulgate a comprehensive system of laws and regulations governing economic matters in general. The overall effect of legislation over the past four decades has significantly enhanced the protections afforded to various forms of foreign investments in China. However, China has not developed a fully integrated legal system, and recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in China. In particular, the interpretation and enforcement of these laws and regulations involve uncertainties. Since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy. These uncertainties may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or tort claims. In addition, the regulatory uncertainties may be exploited through unmerited or frivolous legal actions or threats in attempts to extract payments or benefits from us.

Furthermore, the PRC legal system is based in part on government policies and internal rules, some of which are not published on a timely basis or at all and may have retroactive effect. As a result, we may not be aware of our violation of any of these policies and rules until sometime after the violation. In addition, any administrative and court proceedings in China may be protracted, resulting in substantial costs and diversion of resources and management attention.

From time to time, we may have to resort to administrative and court proceedings to enforce our legal rights. However, since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy than in more developed legal systems. Such uncertainties, including uncertainty over the scope and effect of our contractual, property (including intellectual property) and procedural rights, and any failure to respond to changes in the regulatory environment in China could materially and adversely affect our business and impede our ability to continue our operations.

We are also subject to the legal and operational risks associated with being based in and having substantially all operations in Mainland China. The operational and legal risks associated with being based in and having operations in China also to the extent applicable apply to operations in Hong Kong and Macau which operate under different sets of laws from those of Mainland China. These risks may result in material changes in operations, or a complete hindrance of our ability to offer or continue to offer our securities to investors and could cause the value of our securities to significantly decline or become worthless. Recently, the PRC government initiated a series of regulatory actions and statements to regulate business operations in China with little advance notice, including cracking down on illegal activities in the securities market, enhancing supervision over China-based companies listed overseas, adopting new measures to extend the scope of cybersecurity reviews, and expanding the efforts in anti-monopoly enforcement. On July 6, 2021, the General Office of the Communist Party of China Central Committee and the General Office of the State Council jointly issued an announcement to crack down on illegal activities in the securities market and promote the high-quality development of the capital market, which, among other things, requires the relevant governmental authorities to strengthen cross-border oversight of law-enforcement and judicial cooperation, to enhance supervision over China-based companies listed overseas, and to establish and improve the system of extraterritorial application of the PRC securities laws. On December 28, 2021, Cybersecurity Review Measures (2021 version) was issued, which became effective on February 15, 2022. The Anti-Monopoly Law, which took effect in 2008 and was amended on June 24, 2022, which amendment became effective August 1, 2022, established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time consuming and complex. As of the date of this report, the above regulations have not impacted our ability to conduct the business, accept foreign investments, or list on a U.S. or other foreign exchange; however, there are uncertainties in the interpretation and enforcement of these new laws and guidelines, which could materially and adversely impact our overall business and financial outlook.

***The Chinese government exerts substantial influence over the manner in which we must conduct our business activities and may intervene or influence our operations at any time, which could result in a material change in our operations and the value of our shares.***

The Chinese government has exercised and continues to exercise substantial control over virtually every sector of the Chinese economy through regulation and state ownership. Our ability to operate in China may be harmed by changes in those laws and regulations, including those relating to securities regulation, data protection, cybersecurity and mergers and acquisitions and other matters. The central or local governments of these jurisdictions may impose new, stricter regulations or interpretations of existing regulations that would require additional expenditures and efforts on our part to ensure our compliance with such regulations or interpretations.

Government actions in the future could significantly affect economic conditions in China or particular regions thereof and could require us to materially change our operating activities or divest ourselves of any interests we hold in Chinese assets. Our business may be subject to various government and regulatory interference in the provinces in which we operate. We may incur increased costs necessary to comply with existing and newly adopted laws and regulations or penalties for any failure to comply. Our operations could be adversely affected, directly or indirectly, by existing or future laws and regulations relating to our business or industry.

Given recent statements by the Chinese government indicating an intent to exert more oversight and control over offerings that are conducted overseas and/or foreign investment in China-based issuers, any such action could significantly limit or completely hinder our ability to offer or continue to offer securities to investors and cause the value of such securities to significantly decline or become worthless.

*The CSRC may exert more oversight and control over offerings that are conducted overseas and in foreign investment in China-based issuers, especially those in the technology field. Additional compliance procedures may be required in connection with this offering. As a result, we face uncertainty about future actions by the PRC government that could significantly affect our ability to offer or continue to offer securities to investors and cause the value of our securities to significantly decline or be worthless.*

On July 6, 2021, the General Office of the Communist Party of China Central Committee and the General Office of the State Council jointly issued a document to crack down on illegal activities in the securities market and promote the high-quality development of the capital market, which, among other things, requires the relevant governmental authorities to strengthen cross-border oversight of law-enforcement and judicial cooperation, to enhance supervision over China-based companies listed overseas, and to establish and improve the system of extraterritorial application of the PRC securities laws. Since this document is relatively new, uncertainties still exist in relation to how soon legislative or administrative regulation making bodies will respond and what existing or new laws or regulations or detailed implementations and interpretations will be modified or promulgated, if any, and the potential impact such modified or new laws and regulations will have on our Chinese operations.

Further, Chinese government continues to exert more oversight and control over Chinese technology firms. On July 2, 2021, Chinese cybersecurity regulator announced, that it had begun an investigation of Didi Global Inc. (NYSE: DIDI) and two days later ordered that the company's application be removed from smartphone application stores. On July 5, 2021, the Chinese cybersecurity regulator launched the same investigation on two other internet platforms, China's Full Truck Alliance of Full Truck Alliance Co. Ltd. (NYSE: YMM) and BOSS Zhipin of Kanzhun Limited (Nasdaq: BZ). On July 24, 2021, the General Office of the Communist Party of China Central Committee and the General Office of the State Council jointly released the Guidelines for Further Easing the Burden of Excessive Homework and Off-campus Tutoring for Students at the Stage of Compulsory Education, pursuant to which foreign investment in such firms via mergers and acquisitions, franchise development, and variable interest entities are banned from this sector.

Therefore, CSRC and other Chinese government agencies may exert more oversight and control over offerings that are conducted overseas and in foreign investment in China-based issuers, especially those in the technology field. Additional compliance procedures may be required in connection with this offering and our business operations, and, if required, we cannot predict we will be able to obtain such approval. As a result, we face uncertainty about future actions by the PRC government that could significantly affect our ability to offer or continue to offer securities to investors and cause the value of our ordinary shares to significantly decline or be worthless.

We may be subject to PRC laws relating to the collection, use, sharing, retention, security, and transfer of confidential and private information, such as personal information and other data. These laws continue to develop, and the PRC government may adopt other rules and restrictions in the future. Non-compliance could result in penalties or other significant legal liabilities.

The Cybersecurity Law, which was adopted by the National People's Congress on November 7, 2016 and came into force on June 1, 2017 provides that personal information and important data collected and generated by a critical information infrastructure operator in the course of its operations in China must be stored in China. The Cybersecurity Review Measures (2020 Version), which were promulgated on April 13, 2020, provide that if a critical information infrastructure operator purchases internet products and services that affect or may affect national security, it should be subject to cybersecurity review by the CAC in accordance with the provisions thereunder. On December 28, 2021, the Cybersecurity Review Measures (2021 Version) was promulgated and became effective on February 15, 2022 and the Cybersecurity Review Measures (2020 Version) was repealed at the same time. The Cybersecurity Review Measures (2021 Version) iterates that the procurement of any network product or service by CIIOs or the conducting of data processing activities by online platform operators, that affects or may affect national security, shall be subject to a cybersecurity review in accordance with provisions thereunder and any online platform operators controlling personal information of more than 1 million users which seeks to list in a foreign stock exchange should apply for a cybersecurity review.

On June 10, 2021, the Standing Committee of the National People's Congress promulgated the Data Security Law which took effect on September 1, 2021. The Data Security Law requires that data shall not be collected by theft or other illegal means, and it also provides that a data classification and hierarchical protection system. The data classification and hierarchical protection system protects data according to its importance in economic and social development, and the damages it may cause to national security, public interests, or the legitimate rights and interests of individuals and organizations if the data is falsified, damaged, disclosed, illegally obtained or illegally used, which protection system is expected to be built by the state for data security in the near future. And on September 24, 2024, the State Council published the Network Data Security Administrative Regulations which became effect on January 1, 2025. The Network Data Security Administrative Regulations provides that network data processing operators engaging in network data processing activities that affect or may affect national security must be subject to the cybersecurity review. According to the Cybersecurity Review Measures (2021 Version), a cybersecurity review is conducted by the CAC, to assess potential national security risks that may be brought about by any procurement, data processing, or overseas listing. The state establishes a data classification protection system. According to the impact and importance of data on national security, public interests or the legitimate rights and interests of individuals and organizations, data are divided into general data, important data and core data, and different protection measures are taken for different levels of data. The state focuses on the protection of personal information and important data, and strictly protects core data. The Cybersecurity Review Measures (2021 Version) further require that online platform operators and data processing operators that possess personal data of at least one (1) million users must apply for a cybersecurity review if they plan to conduct listings in foreign countries.

While the Cybersecurity Review Measures (2021 Version) and the Network Data Security Administrative Regulations were recently adopted and the Administrative Regulations Draft has been released for public comment, and their implementation provisions and anticipated adoption or effective date remains substantially uncertain and may be subject to change. Due to the lack of further interpretations, the exact scope of what constitutes a "CIIO," "online platform operators," "data processors," or "data handlers" remains unclear. Further, the PRC government authorities may have wide discretion in the interpretation and enforcement of these laws. It also remains uncertain whether any future regulatory changes would impose additional restrictions on companies like us. We do not believe our business and activities would affect or may affect national security or we are among the "operators of critical information infrastructure" as mentioned above. However, as of the date of this report, we have not received any notice from any authorities identifying us as a CIIO or an online platform operator or requiring it to undertake a cybersecurity review by the CAC. Further, we have not been subject to any penalties, fines, suspensions, investigations from any competent authorities for violation of the regulations or policies that have been issued by the CAC to date. As the interpretation or implementation of those rules and whether the PRC regulatory agencies, including the CAC, may adopt new laws, regulations, rules, or detailed implementation and interpretation related to the Cybersecurity Review Measures (2021 Version) and Network Data Security Administrative Regulations, there is no assurance that we would not be subject to the cybersecurity review or other governmental procedures under those rules. If any such new laws, regulations, rules, or implementation and interpretation come into effect, we expect to take all reasonable measures and actions to comply. We cannot assure you that we can fully or timely comply with such laws should they be deemed applicable to our operations. We may be required to suspend new user registration in China or experience other disruptions to our operations should it be required to have a cybersecurity review by the CAC. Any cybersecurity review could also result in negative publicity with respect to us and diversion of our managerial and financial resources. There is no certainty as to how such review or prescribed actions would impact our operations and we cannot guarantee that any clearance can be obtained or any actions that may be required for our listing on the Nasdaq Capital Market and the offering as well can be taken in a timely manner, or at all.

The regulatory requirements with respect to cybersecurity and data privacy are constantly evolving and can be subject to varying interpretations, and significant changes, resulting in uncertainties about the scope of our responsibilities in that regard. Failure to comply with the cybersecurity and data privacy requirements in a timely manner, or at all, may subject us to government enforcement actions and investigations, fines, penalties, suspension or disruption of our operations, among other things.

***The recent policy pronouncements by the PRC government regarding business activities of U.S.-listed PRC businesses may negatively impact our Hong Kong subsidiary.***

On June 30, 2020, the Standing Committee of the NPC promulgated the Law of the PRC on Safeguarding National Security in Hong Kong. The interpretation of the Law of the PRC on Safeguarding National Security in Hong Kong involves a degree of uncertainty.

Recently, the PRC government announced that it would step up supervision of overseas listed PRC businesses. Under the new measures, the PRC government will enhance regulation of cross-border data flows and security, crack down on illegal activity in the securities market and punish fraudulent securities issuance, market manipulation and insider trading. The PRC government will also check sources of funding for securities investment and control leverage ratios. The PRC government has also opened a probe into several U.S.-listed technology companies focusing on anti-monopoly, financial technology regulation and more recently, with the passage of the PRC Data Security Law, how companies collect, store, process and transfer personal data. Currently these laws (other than the Law of the PRC on Safeguarding National Security in Hong Kong) are expected to apply to Mainland China domestic businesses, rather than businesses in Hong Kong which operate under a different set of laws from Mainland China. However, there can be no assurance that the government of Hong Kong will not enact similar laws and regulations applicable to companies operating in Hong Kong.

Given the PRC government's significant oversight over the conduct of business operations in Mainland China and in Hong Kong, and in light of the PRC government's recent extension of authority not only in Mainland China but into Hong Kong, there are risks and uncertainties which we cannot foresee for the time being, and rules and regulations in the PRC can change quickly with little or no advance notice. For example, the government of Hong Kong may enact similar laws and regulations to those in Mainland China, which may seek to exert control over offerings conducted overseas by Hong Kong companies. If any or all of the foregoing were to occur, it could affect our operations and limit or hinder our ability to offer securities to overseas investors or remain listed in the U.S., which could cause the value of the securities we are registering for sale to significantly decline or become worthless.

***Increases in labor costs and enforcement of stricter labor laws and regulations in China may adversely affect our business and our profitability.***

China's overall economy and the average wage have increased in recent years and are expected to continue to grow. The average wage level for our employees has also increased in recent years. We expect that our labor costs, including wages and employee benefits, will continue to increase. Unless we can pass on these increased labor costs to those who pay for our services, our profitability and results of operations may be materially and adversely affected.

In addition, we have been subject to stricter regulatory requirements in terms of entering into labor contracts with employees and paying various statutory employee benefits, including pensions insurance, housing provident fund, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance to designated government agencies for the benefit of our employees. Pursuant to the PRC Labor Contract Law and its implementation rules, employers are subject to stricter requirements in terms of signing labor contracts, minimum wages, paying remuneration, determining the term of employee's probation and unilaterally terminating labor contracts. In addition, enterprises are forbidden to force laborers to work beyond the time limit and employers shall pay laborers for overtime work in accordance with the laws and regulations. In the event that we decide to terminate some of our employees or otherwise change our employment or labor practices, the PRC Labor Contract Law and its implementation rules may limit our ability to effect those changes in a desirable or cost-effective manner, which could adversely affect our business and results of operations.

We cannot assure you that we will be able to comply with all labor-related law and regulations, including those relating to obligations to make social insurance payments, to contribute to the housing provident fund, and to make overtime payment and other similar payment payable by us to our employees. If it is deemed to have violated relevant labor laws and regulations, we could be required to provide additional compensation to employees and be subject to orders by competent labor authorities for rectification, and failure to comply with the orders may further subject us to administrative fines. In such an event, our business, financial condition and results of operations will be adversely affected.

***Our business may be negatively affected by the potential obligations if we fail to comply with social insurance and housing provident fund related laws and regulations.***

We conduct our core business in PRC, and we are required by PRC labor laws and regulations to pay various statutory employee benefits, including pensions insurance, medical insurance, work-related injury insurance, unemployment insurance, maternity insurance and housing provident fund, to designated government agencies for the benefit of our employees and associates. In October 2010, SCNPC promulgated the Social Insurance Law of PRC, effective on July 1, 2011 and amended it on December 29, 2018. On April 3, 1999, the State Council promulgated the Regulations on the Administration of Housing Provident Fund, which was amended on March 24, 2002 and March 24, 2019. Companies registered and operating in China are required under the Social Insurance Law of PRC and the Regulations on the Administration of Housing Provident Fund to apply for social insurance registration and housing provident fund deposit registration within thirty (30) days of their establishment and to pay for their employees different social insurance including pension insurance, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance to the extent required by law. According to the PRC Social Insurance Law, if a person or entity obtains social insurance benefits through fraud, falsification of documents, or other means, the social insurance administrative department must order the fraudulent social insurance benefits to be returned and impose a fine equal to or less than five times the fraudulent amount. We could be subject to orders by competent labor authorities for rectification if we fail to comply with such social insurance and housing provident fund related laws and regulations, and failure to comply with the orders may further subject us to administrative fines. 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.

We did not make contributions in full for the social insurance fund and housing provident fund for our employees as required under the relevant PRC laws and regulations. We also make contributions for the social insurance fund and housing provident fund for persons who are not our employees. Although we have not received any order or notice from the local authorities nor any claims or complaints from our current and former employees regarding any non-compliance in this regard, we cannot assure that we will not be subject to any order to rectify non-compliance in the future, nor can we assure that there are no, or will not be any, employee complaints regarding social insurance payment or housing provident fund contributions against us, or that we will not receive any claims in respect of social insurance payment or housing provident fund contributions under the PRC laws and regulation. In addition, we may incur additional costs to comply with such laws and regulations by the PRC Government or relevant local authorities. Any such development could materially and adversely affect our business, financial condition and results of operations.

***Our business may be negatively affected by the potential obligations if we fail to comply with PRC laws and regulations relating to compensations for laid-off employees.***

According to the PRC Labor Contract Law (the “PRC Labor Contract Law”) which was promulgated by the Standing Committee of the National People’s Congress on June 29, 2007, with the latest amendment taking effect on July 1, 2013, when an employer terminates the labor contract with an employee through negotiations, the employer shall pay to the employee compensations based on the number of years the employee has worked for the employer. If an employer fails to pay, the labor administrative department may order the employer to pay to the employee the statutorily required compensations within a time limit; if payment is not made within the time limit, the employer may be ordered to pay an extra compensation to the employee at a rate of not less than 50 percent and not more than 100 percent of the payable amount.

As of the date of this report, we did not make compensations for certain laid-off employees to the extent as required by the PRC Labor Contract Law and other applicable laws and regulations. Therefore, we may be ordered by the competent authority to pay to the laid-off employees the statutorily required compensations within a time limit; if payment is not made within the time limit, we may be ordered to pay an extra compensation to the laid-off employees at a rate of not less than 50 percent and not more than 100 percent of the payable amount.

***Failure to keep the net log for the length of period as required under applicable PRC laws may expose us to potential penalties.***

The Cybersecurity Law provides that network operators shall, according to the requirements of the rules for graded protection of cybersecurity, take technical measures to monitor and record the status of network operation and cybersecurity incidents, and preserve relevant net logs for not less than six months, failing which the competent department may order it to take corrective action and give it a warning. If the operator refuses to take corrective action, or such consequences as endangering cybersecurity are caused, the operator may be subject to fines not less than RMB10,000 but not more than RMB100,000, and its directly responsible person in charge may be imposed on fines not less than RMB5,000 but not more than RMB50,000.

We did not keep the net log for at least a period of six months as required by the Cybersecurity Law, and therefore we may be subject to orders by competent authority to take corrective actions, and fines not less than RMB10,000 but not more than RMB100,000, and our directly responsible person in charge may be imposed on fines not less than RMB5,000 but not more than RMB50,000.

***Failing to register lease agreements with the relevant PRC government authorities as required by PRC law may expose us to potential fines.***

As of the date of this report, two of our leased buildings in China are not registered with the relevant PRC government authorities. Under PRC law, all lease agreements are required to be registered with the local land and real estate administration bureau. Although failure to do so does not in itself invalidate the leases, the lessees may not be able to defend these leases against bona fide third parties and may also be exposed to potential fines if they fail to rectify such non-compliance within the prescribed time frame after receiving notice from the relevant PRC government authorities. The penalty ranges from RMB1,000 to RMB10,000 for each unregistered lease, at the discretion of the relevant authority. We cannot guarantee, however, all leases will be registered timely by the lessors in the future. In the event that any fine is imposed on us for our failure to register our lease agreements, we may not be able to recover such losses from the lessors.

***Our rights to use our leased properties could be challenged by property owners or other third parties, which may disrupt our operations and incur relocation costs.***

There may be risk that our use of the leased properties is inconsistent with the designated purpose of the property use, for example a leased property might be leased to use for office space only but not for any other purposes, in which case we may not be able to continue to use the leased properties. Besides, the lessor may not have entitlement to lease the properties to us. The above risks might interrupt our business operations. Moreover, if our lease agreements are challenged by third parties, it could result in diversion of management attention and cause us to incur costs associated with defending such actions, even if such challenges are ultimately determined in our favor.

***The registered offices of certain PRC Entities are not used as the principal place of business.***

As of the date of this report, the registered offices of certain PRC Entities are not used as the principal place of business.

According to the Regulation of the People's Republic of China on the Administration of the Registration of Market Entities, in the event of any changes in the registered information, an entity shall apply to the registration authority for registration within 30 days after the resolution or decision in relation to such changes is made or the changes occur, failing which the competent authority may order the entity to rectify, impose a fine of not less than RMB10,000 but not exceeding RMB100,000 if the entity refuses to rectify and revoke its business license under severe circumstances.

Based on the foregoing, failure to register its principal place of business as the registered address exposes certain PRC Entities to risks of order by the competent authority to make corrections and fines if it refuses to obey.

***We may be exposed to liabilities under the Foreign Corrupt Practices Act and Chinese anti-corruption law.***

We are subject to the U.S. Foreign Corrupt Practices Act ("FCPA"), and other laws that prohibit improper payments or offers of payments to foreign governments and their officials and political parties by U.S. persons and issuers as defined by the statute for the purpose of obtaining or retaining business. We are also subject to Chinese anti-corruption laws, which strictly prohibit the payment of bribes to government officials. We have operations, agreements with third parties, and provide services in Mainland China, which may experience corruption. Our activities in Mainland China create the risk of unauthorized payments or offers of payments by one of the employees or the consultants, because these parties are not always subject to our control. We are in the process of implementing an anticorruption program, which prohibits the offering or giving of anything of value to foreign officials, directly or indirectly, for the purpose of obtaining or retaining business.

Our existing safeguards and any future improvements may prove to be less than effective, and the employees or the consultants may engage in conduct for which we might be held responsible. Violations of the FCPA or Chinese anti-corruption laws may result in severe criminal or civil sanctions, and we may be subject to other liabilities, which could negatively affect our business, operating results and financial condition. In addition, the government may seek to hold our company liable for successor liability FCPA violations committed by companies in which we invest or that we acquire.

***Adverse changes in political and economic policies of the PRC government could have a material adverse effect on the overall economic growth of China, which could reduce the demand for our services and materially and adversely affect our competitive position.***

Substantially all of our business operations are conducted in China. Accordingly, our business, results of operations, financial condition and prospects are subject to economic, political and legal developments in China. The PRC government exercises significant control over China's economic growth through direct allocation of resources, monetary and tax policies, and a host of other government policies such as those that encourage or restrict investment in certain industries by foreign investors, control the exchange between RMB and foreign currencies, and regulate the growth of the general or specific market. These government involvements have been instrumental in China's significant growth in the past 30 years. In response to the recent global and Chinese economic downturn, the PRC government has adopted policy measures aimed at stimulating the economic growth in China. If the PRC government's current or future policies fail to help the Chinese economy achieve further growth or if any aspect of the PRC government's policies limits the growth of our industry or otherwise negatively affects our business, the growth rate or strategy, our results of operations could be adversely affected as a result.

***Failure to comply with PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of this offering to make loans or additional capital contributions to our subsidiaries, which could materially and adversely affect our liquidity and ability to fund and expand our business.***

We are an offshore holding company conducting our operations in Mainland China through our subsidiaries. We may make loans to the subsidiaries subject to the approval from or registration with governmental authorities and limitation on amount, we may make additional capital contributions to the subsidiaries, we may establish new PRC subsidiaries and make capital contributions to these new PRC subsidiaries, or we may acquire offshore entities with business operations in Mainland China in an offshore transaction.

Most of the aforementioned ways of making loans or investments in PRC entities are subject to PRC regulations, registrations, submission or approvals. For example, any loans to the subsidiaries and WFOE are subject to applicable foreign loan registrations with the local counterpart of the State Administration of Foreign Exchange (“SAFE”) and limitation on amount under PRC law. If we decide to finance our subsidiaries and WFOE by means of capital contributions, these capital contributions are subject to submission of information to and registration with certain PRC government authorities, including MOFCOM or its local counterparts and the State Administration of Market Regulation (“SAMR”) through its Enterprise Registration System, the National Enterprise Credit Information Publicity System and the local counterpart of SAFE. In addition, an FIE shall use its capital pursuant to the principle of authenticity and self-use within its business scope.

SAFE promulgated the Notice of the State Administration of Foreign Exchange on Reforming the Mode of Management of Settlement of Foreign Exchange Capital of Foreign Invested Enterprises, or SAFE Circular 19, effective June 2015 and amended in December 2019, in replacement of a former regulation. According to SAFE Circular 19, the flow and use of the RMB capital converted from foreign currency-denominated registered capital of a foreign-invested company is regulated such that RMB capital may not be used for the issuance of RMB entrusted loans (unless otherwise permitted in the business license), the repayment of inter-enterprise loans or the repayment of bank loans that have been transferred to a third party. Although SAFE Circular 19 allows RMB capital converted from foreign currency-denominated registered capital of a foreign-invested enterprise to be used for equity investments within China, it also reiterates the principle that RMB converted from the foreign currency-denominated capital of a foreign-invested company may not be directly or indirectly used for purposes beyond our business scope. Thus, it is unclear whether SAFE will permit such capital to be used for equity investments in China in actual practice. SAFE promulgated the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account, or SAFE Circular 16, effective on June 9, 2016, which reiterates some of the rules set forth in SAFE Circular 19, but changes the prohibition against using RMB capital converted from foreign currency-denominated registered capital of a foreign-invested company to issue RMB entrusted loans to a prohibition against using such capital to issue loans to non-associated enterprises. Specifically, SAFE Circular 16 provides that the capital of an FIE shall not be used for the following purposes: (i) directly or indirectly used for payment beyond the business scope of such FIE or the payment prohibited by relevant laws and regulations; (ii) directly or indirectly used for investment in securities or investments in financial management other than banks’ principal-secured products unless otherwise provided by relevant laws and regulations; (iii) the granting of loans to non-affiliated enterprises, except where it is expressly permitted in the business license; and (iv) paying the expenses related to the purchase of real estate that is not for self-use (except for the foreign-invested real estate enterprises). Violations of SAFE Circular 19 and SAFE Circular 16 could result in administrative penalties. SAFE Circular 19 and SAFE Circular 16 may significantly limit our ability to transfer any foreign currency we hold, including the net proceeds from this offering, to our subsidiaries, which may adversely affect our liquidity and our ability to fund and expand our business in Mainland China. On October 23, 2019, the SAFE promulgated the Notice of the State Administration of Foreign Exchange on Further Promoting the Convenience of Cross-border Trade and Investment, or the SAFE Circular 28, which, among other things, allows all foreign-invested companies to use Renminbi converted from foreign currency-denominated capital for equity investments in China, as long as the equity investment is genuine, does not violate applicable laws, and complies with the negative list on foreign investment. On April 10, 2020, the SAFE promulgated the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business, or SAFE Circular 8, under which eligible enterprises are allowed to make domestic payments by using their capital funds, foreign loans and the income under capital accounts of overseas listing without providing the evidentiary materials concerning authenticity of each expenditure in advance, provided that their capital use shall be authentic and conforms to the prevailing administrative regulations on the use of income under capital accounts. However, since the SAFE Circular 28 and SAFE Circular 8 are relatively new, it is unclear how SAFE and competent banks will carry them out in practice.

In light of the various requirements imposed by PRC regulations on loans to and direct investment in PRC entities by offshore holding companies, we cannot assure you that we will be able to complete the necessary government registrations, submission or obtain the necessary government approvals on a timely basis, or at all, with respect to future loans by us to WFOE or our subsidiaries or with respect to future capital contributions by us to WFOE or our subsidiaries. If we fail to complete such registrations, submission or obtain such approvals, our ability to use the proceeds from our initial public offering and to capitalize or otherwise fund our PRC operations may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

***We are a holding company, and we rely on funding on dividend payments from WFOE and Guangzhou Youxin, which are subject to restrictions under PRC laws.***

We are a holding company incorporated in the Cayman Islands, and we operate our core businesses only through our subsidiary in the PRC. Therefore, the availability of funds for us to pay dividends to our shareholders and to service our indebtedness depends upon dividends received from the PRC subsidiary. If the PRC subsidiary incurs debt or losses, their ability to pay dividends or other distributions to us may be impaired. As a result, our ability to pay dividends and to repay our indebtedness will be restricted. PRC laws require that dividends be paid only out of the after-tax profit of the PRC subsidiary calculated according to PRC accounting principles, which differ in many aspects from generally accepted accounting principles in other jurisdictions. PRC laws also require enterprises established in the PRC to set aside part of their after-tax profits as statutory reserves. These statutory reserves are not available for distribution as cash dividends. In addition, restrictive covenants in bank credit facilities or other agreements that we or our subsidiaries may enter into in the future may also restrict the ability of our subsidiaries to pay dividends to us. These restrictions on the availability of our funding may impact our ability to pay dividends to our shareholders and to service our indebtedness.

***Our business may be materially and adversely affected if our PRC Subsidiary declares bankruptcy or becomes subject to a dissolution or liquidation proceeding.***

The Enterprise Bankruptcy Law of the PRC, or the Bankruptcy Law, came into effect on June 1, 2007. The Bankruptcy Law provides that an enterprise will be liquidated according to the provisions thereunder if the enterprise fails to settle its debts as and when they fall due and if the enterprise's assets are, or are demonstrably, insufficient to clear such debts.

The PRC subsidiary holds certain assets that are important to our business operations. If any of the PRC subsidiary undergoes a voluntary or involuntary liquidation proceeding, unrelated third-party creditors may claim rights to some or all of these assets, thereby hindering our ability to operate our business, which could materially and adversely affect our business, financial condition and results of operations.

According to the SAFE's Notice of the State Administration of Foreign Exchange on Further Improving and Adjusting Foreign Exchange Administration Policies for Direct Investment, effective on December 17, 2012, and lastly amended in 2019, and the Provisions for Administration of Foreign Exchange Relating to Inbound Direct Investment by Foreign Investors, effective on May 13, 2013 and lastly amended in 2019, if our PRC Subsidiary undergoes a voluntary or involuntary liquidation proceeding, prior approval from the SAFE for remittance of foreign exchange to our shareholders abroad is no longer required, but we still need to conduct a registration process with the SAFE local branch. It is not clear whether "registration" is a mere formality or involves the kind of substantive review process undertaken by SAFE and its relevant branches in the past.

***To the extent cash in the business is in the PRC and Hong Kong or a PRC or Hong Kong entity, the funds may not be available to fund operations or for other use outside of the PRC/Hong Kong.***

To the extent cash is generated in our PRC subsidiary and may need to be used to fund operations outside of Mainland China, such funds may not be available due to limitations placed by the PRC government. Furthermore, to the extent assets (other than cash) in our business are located in the PRC or held by a PRC entity, the assets may not be available to fund operations or for other use outside of the PRC due to interventions in or the imposition of restrictions and limitations on the ability of us and our subsidiaries to transfer funds or assets by the PRC government. If certain PRC laws and regulations, including existing laws and regulations and those enacted or promulgated in the future were to become applicable to our Hong Kong subsidiary in the future, any funds or assets may not be available due to interventions in or the imposition of restrictions and limitations on the ability of us and our subsidiaries to transfer funds or assets by the PRC government. Furthermore, there can be no assurance that the PRC government will not intervene or impose restrictions or limitations on our ability to transfer or distribute cash, which could result in an inability or prohibition on making transfers or distributions to entities outside of Mainland China and Hong Kong and adversely affect our business. Saved as the foregoing limitations imposed by the PRC government as described hereto, there are currently no limitations on our or our subsidiaries' ability to transfer cash to investors.

***Fluctuations in exchange rates could adversely affect our business and the value of our securities.***

Changes in the value of the RMB against the U.S. dollar, Euro and other foreign currencies are affected by, among other things, changes in China's political and economic conditions. Any significant revaluation of the RMB may have a material adverse effect on our revenues and financial condition, and the value of, and any dividends payable on our shares in U.S. dollar terms. For example, to the extent that we need to convert U.S. dollars we receive from our initial public offering into RMB for our operations, appreciation of the RMB against the U.S. dollar would have an adverse effect on RMB amount we would receive from the conversion. Conversely, if we decide to convert our RMB into U.S. dollars for the purpose of paying dividends on our ordinary shares or for other business purposes, appreciation of the U.S. dollar against the RMB would have a negative effect on the U.S. dollar amount available to us. In addition, fluctuations of the RMB against other currencies may increase or decrease the cost of imports and exports, and thus affect the price-competitiveness of our products against products of foreign manufacturers or products relying on foreign inputs.

Since July 2005, the RMB is no longer pegged to the U.S. dollar. Although the People's Bank of China regularly intervenes in the foreign exchange market to prevent significant short-term fluctuations in the exchange rate, the RMB may appreciate or depreciate significantly in value against the U.S. dollar in the medium to long term. Moreover, it is possible that in the future PRC authorities may lift restrictions on fluctuations in the RMB exchange rate and lessen intervention in the foreign exchange market.

Even though largely all of our revenue and expenses are denominated in RMB, fluctuations in exchange rates may nonetheless in the future adversely affect the value of our net assets and earnings. In particular, proceeds from the offering are made in U.S. dollars. Any unfavorable movement in the exchange rate of RMB against the U.S. dollar may adversely affect the value of our proceeds from the Offering. In addition, any unfavorable movement in the exchange rate of RMB against other foreign currencies may also lead to an increase in our costs, which could adversely affect our business, financial condition and results of operations.

***You may experience difficulties in effecting service of process or enforcing foreign judgments against us, our respective executive officers and directors residing in China.***

Substantially all of our assets are located in China and all of our directors and senior management reside in China. Therefore, it may not be possible to effect service of process or elsewhere outside of China upon us, our respective directors or senior management. Moreover, China has not entered into treaties for the reciprocal recognition and enforcement of court judgments with Japan, the United Kingdom, the United States and many other countries. As a result, recognition and enforcement in China of a court judgment obtained in other jurisdictions may be difficult or impossible.

***There are uncertainties under the PRC laws relating to the procedures and time requirement for the U.S. regulators to bring about investigations and evidence collection within the territory of the PRC.***

On December 28, 2019, the newly amended Securities Law of the PRC (the "PRC Securities Law") was officially promulgated, which became effective on March 1, 2020. According to Article 177 of the PRC Securities Law (the "Article 177"), the securities regulatory authority of the State Council may establish a regulatory cooperation mechanism with the securities regulatory authorities of another country or region to implement cross-border supervision and administration. Article 177 further provides that the overseas securities regulatory authorities may not carry out investigations and evidence collection directly within the territory of the PRC, and that no Chinese entity or individual is allowed to provide any documents or materials related to securities business activities to overseas agencies without prior consent of the securities regulatory authority of the State Council and the competent departments of the State Council. Moreover, the Civil Procedure Law of the PRC, promulgated in 1991 and last amended in 2017, provides that except for the request for and provision of judicial assistance in accordance with international treaties concluded or participated by the PRC, or via diplomatic channels, no foreign agency or individual may, without the consent of the competent authorities of the PRC, carry out investigation or collect evidence within the territory of the PRC.

It is our understanding that (i) the Article 177 is applicable in the circumstances related to direct investigation or evidence collection conducted by overseas authorities within the territory of the PRC (in such case, the foregoing activities are required to be conducted through collaboration with or by obtaining prior consent of competent PRC authorities) and (ii) as of the date of this report, we are not aware of any implementing rules or regulations which have been published regarding application of the Article 177.

Our principal business operation is conducted in the PRC. In the event that the U.S. regulators carry out investigation on us and there is a need to conduct investigation or collect evidence within the territory of the PRC, the U.S. regulators may not be able to carry out the investigation or evidence collection directly in the PRC under the PRC laws. The U.S. regulators may consider cross-border cooperation with securities regulatory authority of the PRC by way of judicial assistance, diplomatic channels or regulatory cooperation mechanism established with the securities regulatory authority of the PRC. However, there is no assurance that the U.S. regulators could succeed in establishing such cross-border cooperation in a specific case or could establish the cooperation in a timely manner.

Furthermore, as the Article 177 is relatively new and there is no implementing rules or regulations which have been published regarding application of the Article 177, it remains unclear how the law will be interpreted, implemented or applied by the CSRC or other relevant government authorities. As such, there are uncertainties as to the procedures and time requirement for the U.S. regulators to bring about investigations and evidence collection within the territory of the PRC. If U.S. regulators are unable to conduct such investigations, such U.S. regulators may determine to suspend and ultimately delist our ordinary shares from The Nasdaq Capital Market or choose to suspend or de-register our SEC registration.

***If we become directly subject to the recent scrutiny, criticism and negative publicity involving U.S. listed Chinese companies, we may have to expend significant resources to investigate and resolve the matter which could harm our business operations, this offering and our reputation and could result in a loss of your investment in our shares, especially if such matter cannot be addressed and resolved favorably.***

Recently, U.S. public companies that have substantially all of their operations in China, have been the subject of intense scrutiny, criticism and negative publicity by investors, financial commentators and regulatory agencies, such as the U.S. Securities and Exchange Commission (“SEC”). Much of the scrutiny, criticism and negative publicity has centered around financial and accounting irregularities, a lack of effective internal controls over financial accounting, inadequate corporate governance policies or a lack of adherence thereto and, in some cases, allegations of fraud. As a result of the scrutiny, criticism and negative publicity, the publicly traded stock of many U.S.-listed Chinese companies has sharply decreased in value and, in some cases, has become virtually worthless. Many of these companies are now subject to shareholder lawsuits and SEC enforcement actions and are conducting internal and external investigations into the allegations. It is not clear what effect this sector-wide scrutiny, criticism and negative publicity will have on our company, our business and this offering. If we become the subject of any unfavorable allegations, whether such allegations are proven to be true or untrue, we will have to expend significant resources to investigate such allegations and/or defend our company. This situation may be a major distraction to our management. If such allegations are not proven to be groundless, our company and our business operations will be severely hampered and your investment in our shares could be rendered worthless.

***PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may subject our PRC resident shareholders to penalties and limit our ability to inject capital into our PRC subsidiary, limit our ability to distribute profits to us, or otherwise adversely affect us.***

The SAFE promulgated the Notice on Relevant Issues Relating to Domestic Resident’s Investment and Financing and Roundtrip Investment through Special Purpose Vehicles, or Circular 37, in July 2014 that requires PRC residents or entities to register with SAFE or its local branch in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing. In addition, such PRC residents or entities must update their SAFE registrations when the offshore special purpose vehicle undergoes material events relating to material change of capitalization or structure of the PRC resident itself (such as capital increase, capital reduction, share transfer or exchange, merger or spin off).

We have requested PRC residents whom we know hold direct or indirect interests in our company to make the necessary applications, filings and amendments as required under Circular 37 and other related rules. However, we cannot assure you that the registration will be duly and timely completed with the local SAFE branch or qualified banks. In addition, we may not be informed of the identities of all of the PRC residents holding direct or indirect interests in our company. As a result, we cannot assure you that all of our shareholders or beneficial owners who are PRC residents or entities have complied with, and will in the future make or obtain any applicable registrations or approvals required by SAFE regulations. Failure by such shareholders or beneficial owners to comply with SAFE regulations, or failure by us to amend the foreign exchange registrations of our PRC subsidiary, could subject us to fines or legal sanctions, restrict our overseas or cross-border investment activities, limit our PRC subsidiary's ability to make distributions or pay dividends or affect our ownership structure, which could adversely affect our business and prospects.

***Failure to comply with the Individual Foreign Exchange Rules relating to the overseas direct investment or the engagement in the issuance or trading of securities overseas by our PRC resident shareholders may subject such shareholders to fines or other liabilities.***

Other than Circular 37, our ability to conduct foreign exchange activities in the PRC may be subject to the interpretation and enforcement of the Implementation Rules of the Administrative Measures for Individual Foreign Exchange promulgated by SAFE in January 2007 (as amended and supplemented, the "Individual Foreign Exchange Rules"). Under the Individual Foreign Exchange Rules, any PRC individual seeking to make a direct investment overseas or engage in the issuance or trading of negotiable securities or derivatives overseas must make the appropriate registrations in accordance with SAFE provisions. PRC individuals who fail to make such registrations may be subject to warnings, fines or other liabilities.

We may not be fully informed of the identities of all our beneficial owners who are PRC residents. For example, because the investment in or trading of our shares will happen in an overseas public or secondary market where shares are often held with brokers in brokerage accounts, it is unlikely that we will know the identity of all of our beneficial owners who are PRC residents. Furthermore, we have no control over any of our future beneficial owners and we cannot assure you that such PRC residents will be able to complete the necessary approval and registration procedures required by the Individual Foreign Exchange Rules.

It is uncertain how the Individual Foreign Exchange Rules will be interpreted or enforced and whether such interpretation or enforcement will affect our ability to conduct foreign exchange transactions. Because of this uncertainty, we cannot be sure whether the failure by any of our PRC resident shareholders to make the required registration will subject our PRC subsidiary to fines or legal sanctions on their operations, delay or restriction on repatriation of proceeds of this offering into the PRC, restriction on remittance of dividends or other punitive actions that would have a material adverse effect on our business, results of operations and financial condition.

***If our subsidiaries were to lose their favorable tax treatments, we could face higher tax rates than we currently pay for much of our revenues.***

The PRC Enterprise Income Tax Law ("EIT Law"), which became effective on January 1, 2008, and was last amended on December 29, 2018, generally applies a uniform enterprise income tax ("EIT") rate of 25% to both foreign-invested enterprises ("FIEs") and domestic enterprises. Certified High and New Technology Enterprises ("HNTE") are entitled to a favorable statutory tax rate of 15%, but need to re-apply every three years. During this three-year period, if a competent authority finds that an HNTE does not meet the HNTE criteria, the enterprise cannot continue to enjoy the 15% preferential tax rate, and must instead use the regular 25% EIT rate.

Since Guangzhou Youxin was approved as an HNTE (High and New Technology Enterprise) on December 20, 2021, Guangzhou Youxin was entitled to a reduced income tax rate of 15% from 2021 to 2024.

As Guangzhou Youxin failed to obtain the renewed HNTE certificate in 2024, Guangzhou Youxin will no longer be recognized as a HNTE after December 20, 2024 and thus it is subject to the income tax rate of 25% from 2024.

***If we fail to maintain the requisite licenses and approvals required under the complex regulatory environment applicable to our PaaS cloud services business in China, or if we are required to take compliance actions that are time-consuming or costly, our business, financial condition and results of operations related to our PaaS cloud service and SaaS standard product may be materially and adversely affected.***

On May 10, 2021, Guangzhou Youxin obtained “Information Security Management System Certification”, which proves that the company’s information security management system has passed the evaluation of NOA Certification and complies with GB/T 22080-2016/ISO/IEC 27001:2013 standard, and the scope of certification is “information security management activities related to the development and maintenance of computer software”.

On February 24, 2021, the Guangzhou Municipal Public Security Bureau issued the “Information System Security Level Protection Record Certificate” (No. 4401061303900001) to us, which was filed for the third level of Youxin Cloud System of Youxin Technology. This certification is made by the Public Security Authority that recognizes and assesses the information system security level protection status of each institution, in accordance with the national information security protection regulations and relevant systems, and the management norms and technical standards. What Guangzhou Youxin obtained is referred to as “Level 3 Equal protection”, which is the highest level of information protection certification for non-banking organizations in China. The Guangzhou Municipal Public Security Bureau conducts on-site inspection of Guangzhou Youxin annually. Guangzhou Youxin passed the annual inspection in May 2024. If Guangzhou Youxin fails the inspection, it will not affect its regular operations; However, it may affect the customer’s confidence in the information security of Youxin Cloud.

Considerable uncertainties exist regarding the interpretation and implementation of existing and future laws and regulations governing our business activities. We cannot assure you that we will not be found in violation of any future laws and regulations or any of the laws and regulations currently in effect due to changes in the relevant authorities’ interpretation of these laws and regulations. If we fail to complete, obtain or maintain any of the required licenses or approvals or make the necessary filings, we may be subject to various penalties, such as confiscation of the revenue that were generated through the unlicensed internet activities, the imposition of fines and the discontinuation or restriction of our operations. Any such penalties may disrupt our business operations and materially and adversely affect our business, financial condition and results of operations.

***We may be deemed a PRC resident enterprise for PRC Enterprise Income Tax (“EIT”) purposes under the EIT Law and be subject to PRC taxation on our global income.***

Pursuant to the EIT Law, which came into effect on January 1, 2008 and was most recently amended on December 29, 2018, an enterprise established outside of China whose “de facto management body” is located in China is considered a “PRC resident enterprise” and will generally be subject to the uniform enterprise income tax rate, or EIT rate, of 25% on our global income. The regulation on the Implementation of the Enterprise Income Tax Law of the PRC defines “de facto management body” as the organization body that effectively exercises management and control over aspects such as the business operations, personnel, accounting and properties of the enterprise.

On April 22, 2009, the State Taxation Administration (“STA” and previously known as the State Administration on Taxation or “SAT”) released the Notice Regarding the Determination of Chinese Controlled Offshore Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies (“Circular 82”), as lastly amended on December 29, 2017, which sets out the standards and procedures for determining whether the “de facto management body” of an enterprise registered outside of China and controlled by PRC enterprises or PRC enterprise groups is located within China. Under Circular 82, a foreign enterprise controlled by a PRC enterprise or PRC enterprise group is considered a PRC resident enterprise if all of the following apply: (i) the senior management and core management departments in charge of daily operations are located mainly within China; (ii) financial and human resources decisions are subject to determination or approval by persons or bodies in China; (iii) major assets, accounting books, company seals and minutes and files of board and shareholders’ meetings are located or kept within China; and (iv) at least half of the enterprise’s directors with voting rights or senior management reside within China. Further to Circular 82, the SAT issued Chinese-Controlled Offshore Incorporated Resident Enterprises Income Tax Regulation (“Bulletin 45”), which took effect on September 1, 2011 and lastly amended on June 15, 2018, to provide more guidance on the implementation of Circular 82 and clarify the reporting and filing obligations of such “Chinese-controlled offshore incorporated resident enterprises.” Bulletin 45 provides procedures and administrative details for the determination of resident status and administration of post-determination matters. Although Circular 82 and Bulletin 45 explicitly provide that the above standards apply to enterprises which are registered outside of China and controlled by PRC enterprises or PRC enterprise groups, Circular 82 may reflect SAT’s criteria for determining the tax residence of foreign enterprises in general. If our global income were to be taxed under the EIT Law, our financial condition and results of operations may be materially and adversely affected.

***You may be subject to PRC income tax on dividends from us or on any gain realized on the sale or other disposition of our shares under PRC law.***

Under the EIT Law, subject to any applicable tax treaty or similar arrangement between China and your jurisdiction of residence that provides for a different income tax arrangement, PRC withholding tax at the rate of 10% is normally applicable to dividends from sources within China payable to investors that are non-PRC resident enterprises, which do not have an establishment or place of business in China, or which have such establishment or place of business if the relevant income is not effectively connected with the establishment or place of business. Any gain realized on the transfer of shares by such investors is subject to 10% PRC income tax if such gain is regarded as income derived from sources within China unless a treaty or similar arrangement otherwise provides. Under the PRC Individual Income Tax Law and its implementation rules, dividends from sources within China paid to foreign individual investors who are not PRC residents are generally subject to a PRC withholding tax at a rate of 20%, and gains from PRC sources realized by such investors on the transfer of shares are generally subject to 20% PRC income tax, in each case, subject to any reduction or exemption set forth in applicable tax treaties and PRC laws.

As substantially all of our business operations are in China, it is unclear whether dividends we pay with respect to our shares, or the gain realized from the transfer of our shares, would be treated as income derived from sources within China and as a result be subject to PRC income tax if we are considered a PRC resident enterprise. If PRC income tax is imposed on gains realized from the transfer of our Shares or on dividends paid to our non-PRC resident investors, the value of our investors' investment in our Shares may be materially and adversely affected. Furthermore, our shareholders whose jurisdictions of residence have tax treaties or arrangements with China may not qualify for benefits under such tax treaties or arrangements.

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

Pursuant to the Notice on Strengthening Administration of Enterprise Income Tax for Share Transfers by Non-PRC Resident Enterprises ("SAT Circular 698") issued by the SAT in December 2009 with retroactive effect from January 1, 2008, where a nonresident enterprise transfers the equity interests of a PRC resident enterprise indirectly by disposition of the equity interests of an overseas non-public holding company (an "Indirect Transfer"), and such overseas holding company is located in a tax jurisdiction that (i) has an effective tax rate of less than 12.5% or (ii) does not impose income tax on foreign income of its residents, the non-resident enterprise, being the transferor, must report to the competent tax authority of the PRC resident enterprise this Indirect Transfer. Using a "substance over form" principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax.

On March 28, 2011, the SAT released the SAT Public Notice (2011) No. 24 ("SAT Public Notice 24"), which became effective on April 1, 2011, to clarify several issues related to Circular 698. According to SAT Public Notice 24, the term "effective tax" refers to the effective tax on the gain derived from disposition of the equity interests of an overseas holding company; and the term "does not impose income tax" refers to the cases where the gain derived from disposition of the equity interests of an overseas holding company is not subject to income tax in the jurisdiction where the overseas holding company is a resident.

On February 3, 2015, the SAT issued ("SAT Circular 7"), which abolished certain provisions in SAT Circular 698, as well as certain other rules providing clarification on SAT Circular 698. SAT Circular 7 provided comprehensive guidelines relating to, and also heightened the PRC tax authorities' scrutiny over, indirect transfers by a nonresident enterprise of PRC taxable assets. Under SAT Circular 7, the PRC tax authorities are entitled to reclassify the nature of an indirect transfer of PRC taxable assets, when a non-resident enterprise transfers PRC taxable assets indirectly by disposing of equity interests in an overseas holding company directly or indirectly holding such PRC taxable assets, by disregarding the existence of such overseas holding company and considering the transaction to be a direct transfer of PRC enterprise income taxes and without any other reasonable commercial purpose. However, SAT Circular 7 contains certain exemptions, including (i) where a non-resident enterprise derives income from the indirect transfer of PRC taxable assets by acquiring and selling shares of an overseas listed holding company which holds such PRC taxable assets on a public market; and (ii) where there is an indirect transfer of PRC taxable assets, but if the non-resident enterprise had directly held and disposed of such PRC taxable assets, the income from the transfer would have been exempted from enterprise income tax in the PRC under an applicable tax treaty or arrangement.

On October 17, 2017, the STA promulgated the Announcement on Matters Concerning Withholding and Payment of Income Tax of Non-resident Enterprises from Source (the “STA Circular 37”), which came into force and replaced the STA Circular 698 and certain other regulations on December 1, 2017 and partly amended on June 15, 2018. The STA Circular 37 does, among other things, simplify procedures of withholding and payment of income tax levied on non-resident enterprises.

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

***We may be required to obtain and maintain permits and licenses to operate certain of our business operations under PRC law.***

Telecommunications operators in China are subject to regulation by, and under the supervision of, the MIIT, the primary regulator of the telecommunications industry in China. Other PRC government authorities also take part in regulating the telecommunications industry in areas such as tariff policies and foreign investment. The MIIT, under the direction of the State Council, has been preparing a draft telecommunications law, which, once adopted, will become the fundamental telecommunications statute and the legal basis for telecommunications regulations in China. In 2000, the State Council promulgated a set of telecommunications regulations, or Telecommunications Regulations, that apply in the interim period prior to the adoption of the telecommunications law.

Pursuant to the Catalog of Telecommunications Business of the PRC, or the Catalog, most recently amended in June 2019, providers of internet data center (IDC) services, including “internet-based resource collaboration” (IRC) services, are required to obtain an IDC license. IRC services are defined quite broadly under the Catalog to include the provision “in a shared, collaborative manner” of “data storage, application deployment and other internet-based services that are readily accessible and easily modifiable on an on-demand basis.” Under the current PRC laws and regulations, we believe that Guangzhou Youxin may not be deemed as the provider of IDC services and is not required to obtain an IDC license. We cannot guarantee, however, the additional changes or restrict won’t be imposed by the government for Guangzhou Youxin.

***Laws and regulations governing the internet industry and related businesses in China are evolving and may involve significant uncertainty.***

The PRC government extensively regulates the internet industry, including the foreign ownership of, and the licensing and permit requirements pertaining to companies in the internet industry. These internet-related laws and regulations are relatively new and evolving, and their interpretation and enforcement involve significant uncertainty.

Risks and uncertainties relating to PRC regulation of internet businesses include new laws, regulations or policies that may be promulgated or announced to regulate internet activities, including PaaS cloud service businesses. If these new laws, regulations or policies are promulgated, additional licenses may be required for our operations. If our operations do not comply with these new regulations after they become effective, or if we fail to obtain any licenses required under these new laws and regulations, we could be subject to penalties and our business operations could be disrupted.

There are uncertainties relating to the regulation of the internet industry in China, including evolving licensing requirements. This means that our permits licenses or operations may be subject to challenge, or we may fail to obtain or renew permits or licenses that applicable regulators may deem necessary for our operations. If we fail to maintain or obtain the required permits or licenses, we may be subject to various penalties, including fines and discontinuation of, or restriction on our operations. Any penalty may disrupt our business operations and may have a material adverse effect on our results of operations.

The interpretation and application of existing or future PRC laws, regulations and policies relating to the internet industry have created substantial uncertainties regarding the legality of existing and future foreign investments in and the businesses and activities of internet businesses in China, including our PaaS cloud business. We cannot assure you that we will be able to maintain our existing licenses or obtain any new licenses required under any existing or new laws or regulations given the uncertainty and complexity of China's regulation of internet businesses. There are also risks that we may be found to be in violation of existing or future laws and regulations. If current or future laws, rules or regulations regarding internet-related activities are interpreted in such a way as to render our ownership structure and/or business operations illegal or non-compliant, our business could be severely impaired and we could be subject to severe penalties.

***If we rely on dividends paid by WFOE for our cash needs, any limitation on the ability of WFOE to pay dividends to us could have a material adverse effect on our ability to conduct our business.***

We currently conduct all of our business through Guangzhou Youxin, but we may conduct business in Mainland China through WFOE in the future. Although we do not currently intend to pay dividends, we may rely on the dividends received from WFOE to pay dividends to our shareholders in the future. Currently, PRC regulations permit the payment of dividends only out of distributable profits determined in accordance with the accounting standards and regulations in China, which differ in many aspects from generally accepted accounting principles in other jurisdictions. WFOE is required to allocate certain percentages of any accumulated profits after tax each year to their statutory common reserve fund as required under the PRC Company Law, until the aggregate accumulated statutory common reserve funds exceed 50% of our registered capital. These reserve funds cannot be distributed as cash dividends. In addition, if WFOE incurs debt on its own or enters into certain agreements in the future, the instruments governing the debt or such other agreements may restrict our ability to pay dividends or make other distributions to us. Therefore, these restrictions on the availability and usage of our major source of funding may materially and adversely affect our ability to pay dividends to our shareholders.

***The PRC government's control over currency conversion may limit our foreign exchange transactions, including dividend payments on our Shares.***

The RMB is not presently a freely convertible currency, and current conversion and remittance of foreign currencies are subject to PRC foreign exchange regulations. There is no assurance that, under a certain exchange rate, we will have sufficient foreign currencies to meet our foreign exchange requirements. Under the current PRC foreign exchange control system, foreign exchange transactions under the current account conducted by us, including the payment of dividends following completion of the public offering, do not require prior 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 requisite licenses to carry out foreign exchange business. Foreign exchange transactions under the capital account conducted by us, however, must be approved or subject to registration in advance by the SAFE, its branches, or competent banks. There is no assurance that we will be able to receive these approvals or complete the registration in time, or at all. This could restrict the ability of our PRC subsidiary to obtain debt or equity financing in foreign currencies.

The existing foreign regulations allow WFOE, following completion of this offering, to pay dividends in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, there is no assurance that the PRC Government will continue to adopt this policy going forward. The PRC government may also restrict our access to foreign currencies for current account transactions at our discretion. Any insufficiency of foreign currencies may impair WFOE's ability to obtain sufficient foreign currencies for dividend payments to us or to satisfy any other foreign exchange requirements.

***PRC laws and regulations establish more complex procedures for some acquisitions of PRC companies by foreign investors, which could make it difficult for us to pursue growth through acquisitions in China.***

A number of PRC laws and regulations, including the M&A Rules, the Anti-Monopoly Law, and the Rules of Ministry of Commerce on Implementation of Security Review System of Mergers and Acquisitions of Domestic Enterprises by Foreign Investors promulgated by MOFCOM on August 25, 2011 and effective from September 1, 2011 (“Security Review Rules”), have established procedures and requirements that are expected to make the review of certain merger and acquisition activities by foreign investors in China more time consuming and complex. These include requirements in some instances to notify MOFCOM in advance of any transaction in which foreign investors take control of a PRC domestic enterprise, or to obtain approval from MOFCOM before overseas companies established or controlled by PRC enterprises or residents acquire affiliated domestic companies. PRC laws and regulations also require certain merger and acquisition transactions to be subject to merger control or security review.

***There is no assurance that future audit reports will be prepared by auditors able to be inspected or investigated completely by the PCAOB, and if they are not, our ordinary shares may be prohibited from being traded on a national exchange under the HFCAA. The delisting of our ordinary shares, or the threat of being delisted, may materially and adversely affect the value of your investment.***

Auditors of companies that are registered with the Securities and Exchange Commission (the “SEC”) and traded publicly in the United States, including our independent registered public accounting firm, must be registered with the PCAOB, and are subject to laws in the United States pursuant to which the PCAOB conducts regular inspections to assess their compliance with the relevant professional standards.

On April 21, 2020, SEC Chairman Jay Clayton and PCAOB Chairman William D. Duhnke III, along with other senior SEC staff, released a joint statement highlighting the risks associated with investing in companies based in or have substantial operations in emerging markets including China. The joint statement emphasized the risks associated with lack of access for the PCAOB to inspect auditors and audit work papers in China and higher risks of fraud in emerging markets.

On May 18, 2020, Nasdaq filed three proposals with the SEC to (i) apply minimum offering size requirement for companies primarily operating in “Restrictive Market”, (ii) adopt a new requirement relating to the qualification of management or board of director for Restrictive Market companies, and (iii) apply additional and more stringent criteria to an applicant or listed company based on the qualifications of the company’s auditors.

On May 20, 2020, the U.S. Senate passed the Holding Foreign Companies Accountable Act (“HFCAA”) requiring a foreign company to certify it is not owned or controlled by a foreign government if the PCAOB is unable to audit specified reports because the company uses a foreign auditor not subject to PCAOB inspection. If the PCAOB is unable to inspect the company’s auditors for three consecutive years, the issuer’s securities are prohibited to trade on a national securities exchange or in the over-the-counter trading market in the U.S. On December 2, 2020, the U.S. House of Representatives approved the Holding Foreign Companies Accountable Act. On December 18, 2020, the Holding Foreign Companies Accountable Act was signed into law.

On March 24, 2021, the SEC announced that it had adopted interim final amendments to implement congressionally mandated submission and disclosure requirements of the Act. The interim final amendments will apply to registrants that the SEC identifies as having filed an annual report on Forms 10-K, 20-F, 40-F or N-CSR with an audit report issued by a registered public accounting firm that is located in a foreign jurisdiction and that the PCAOB has determined it is unable to inspect or investigate completely because of a position taken by an authority in that jurisdiction. The SEC will implement a process for identifying such a registrant and any such identified registrant will be required to submit documentation to the SEC establishing that it is not owned or controlled by a governmental entity in that foreign jurisdiction, and will also require disclosure in the registrant’s annual report regarding the audit arrangements of, and governmental influence on, such a registrant.

On June 22, 2021, the U.S. Senate passed the Accelerating Holding Foreign Companies Accountable Act (“AHFCAA”), and the U.S. House of Representatives introduced the AHFCAA on December 14, 2021 and referred to the House Committee on Financial Services. The AHFCAA was enacted on December 29, 2022 and reduced the number of consecutive non-inspection years required for triggering the prohibitions under the HFCAA from three years to two and, thus, would reduce the time before our securities may be prohibited from trading or delisted.

On December 2, 2021, the SEC issued amendments to finalize rules implementing the submission and disclosure requirements in the Holding Foreign Companies Accountable Act. The rules apply to registrants that the SEC identifies as having filed an annual report with an audit report issued by a registered public accounting firm that is located in a foreign jurisdiction and that PCAOB is unable to inspect or investigate completely because of a position taken by an authority in foreign jurisdictions.

On December 16, 2021, PCAOB announced the PCAOB Holding Foreign Companies Accountable Act determinations (the “PCAOB determinations”) relating to the PCAOB’s inability to inspect or investigate completely registered public accounting firms headquartered in Mainland China of the PRC or Hong Kong, a Special Administrative Region and dependency of the PRC, because of a position taken by one or more authorities in the PRC or Hong Kong.

On August 26, 2022, the SEC announced that the PCAOB signed a Statement of Protocol with the CRSC and the Ministry of Finance of the PRC, which sets out specific arrangements on conducting inspections and investigations by both sides over relevant audit firms within the jurisdiction of both sides, including the audit firms based in Mainland China and Hong Kong. This agreement marks an important step towards resolving the audit oversight issue that concern mutual interests, and sets forth arrangements for both sides to cooperate in conducting inspections and investigations of relevant audit firms, and specifies the purpose, scope and approach of cooperation, as well as the use of information and protection of specific types of data.

On December 15, 2022, the PCAOB announced that it has secured complete access to inspect and investigate registered public accounting firms headquartered in mainland China and Hong Kong and voted to vacate the previous 2021 determination report to the contrary. Notwithstanding the foregoing, in the future, if there is any regulatory change or step taken by PRC regulators that does not permit our auditor to provide audit documentations located in China to the PCAOB for inspection or investigation, investors may be deprived of the benefits of such inspection. Any audit reports not issued by auditors that are completely inspected by the PCAOB, or a lack of PCAOB inspections of audit work undertaken in mainland China that prevents the PCAOB from regularly evaluating our auditors’ audits and their quality control procedures, could result in a lack of assurance that our financial statements and disclosures are adequate and accurate, then such lack of inspection could cause our ordinary shares to be delisted from the stock exchange. On December 29, 2022, the Consolidated Appropriations Act was signed into law. The Consolidated Appropriations Act contains, among other things, an identical provision to AHFCAA, which reduces the number of consecutive non-inspection years required for triggering the prohibitions under the HFCAA from three years to two.

Our auditor is registered with the PCAOB and has been inspected by the PCAOB on a regular basis. Our auditor, Marcum Asia CPAs LLP (“Marcum Asia”), is headquartered in New York City, New York, and has been inspected by the PCAOB on a regular basis. Our auditor is not headquartered in Mainland China or Hong Kong. Marcum Asia was not subject to the determinations announced by the PCAOB on December 16, 2021. Notwithstanding the foregoing, in the future, if there is any regulatory change or step taken by PRC regulators that does not permit Marcum Asia to provide audit documentation located in Mainland China or Hong Kong to the PCAOB for inspection or investigation, you may be deprived of the benefits of such inspection which could result in limitation or restriction to our access to the U.S. capital markets and trading of our securities, including trading on a national securities exchange and quotations by “over-the-counter” markets, may be prohibited under the HFCAA Act.

However, the recent developments would add uncertainties to our offering and we cannot assure you whether Nasdaq or regulatory authorities would apply additional and more stringent criteria to us after considering the effectiveness of our auditor’s audit procedures and quality control procedures, adequacy of personnel and training, or sufficiency of resources, geographic reach or experience as it relates to the audit of our financial statements. It remains unclear what further actions the SEC, the PCAOB or Nasdaq will take to address these issues and what impact those actions will have on U.S. companies that have significant operations in the PRC and have securities listed on a U.S. stock exchange (including a national security exchange or over-the-counter stock market). In addition, any additional actions, proceedings, or new rules resulting from these efforts to increase U.S. regulatory access to audit information could create some uncertainty for investors, the market price of our ordinary shares could be adversely affected, and we could be delisted if we and our auditor are unable to meet the PCAOB inspection requirement or being required to engage a new audit firm, which would require significant expense and management time.

***Changes in international trade policies, trade disputes, barriers to trade, or the emergence of a trade war may influence our growth in China.***

International trade disputes, and other business interruptions could harm or disrupt international commerce and the global economy, and could have a material adverse effect on us and our customers and other partners. International trade disputes could result in tariffs and other protectionist measures which may materially and adversely affect our business.

The PRC and other countries, including the surrounding Asian countries may potentially have economic effects. In particular, there is significant uncertainty about the future relationship between the United States and the PRC with respect to trade policies, treaties, government regulations and tariffs. Economic conditions in China are sensitive to global economic conditions, as well as changes in domestic economic and policies and the expected or perceived overall economic growth rate in China.

Uncertainty surrounding international trade disputes and the potential of the escalation of trade war and global recession could have a negative effect on customer confidence. We may have also access to fewer business opportunities, and our operations may be negatively impacted as a result. In addition, the current and future actions or escalations by either the United States or the PRC that affect trade relations may cause global economic turmoil and potentially have a negative impact on our markets, our business, or our results of operations, as well as the financial condition of our clients, and we cannot provide any assurances as to whether such actions will occur or the form that they may take.

**Risks Related to Our Corporate Structure and Operations**

***We will incur additional costs as a result of becoming a public company, which could negatively impact our net income and liquidity.***

As a public company, we will incur significant legal, accounting and other expenses that we did not incur as a private company. In addition, the Sarbanes-Oxley Act and rules and regulations implemented by the SEC and The Nasdaq Capital Market require significantly heightened corporate governance practices for public companies. We expect that these rules and regulations will increase our legal, accounting and financial compliance costs and will make many corporate activities more time-consuming and costly.

We do not expect to incur materially greater costs as a result of becoming a public company than those incurred by similarly sized foreign private issuers. If we fail to comply with these rules and regulations, we could become the subject of governmental enforcement action, investors may lose confidence in us and the market price of our ordinary shares could decline.

***The obligation to disclose information publicly may put us at a disadvantage to competitors that are private companies.***

As a publicly listed company, we are required to file periodic reports with the SEC upon the occurrence of matters that are material to our company and shareholders. In some cases, we will need to disclose material agreements or results of financial operations that we would not be required to disclose if we were a private company. Our competitors may have access to this information, which would otherwise be confidential. This may give them advantages in competing with our company. Similarly, as a U.S.-listed public company, we are governed by U.S. laws that our non-publicly traded competitors are not required to follow. To the extent compliance with U.S. laws increases our expenses or decreases our competitiveness against such companies, our public listing could affect our results of operations.

***We are a “foreign private issuer,” and our disclosure obligations differ from those of U.S. domestic reporting companies. As a result, we may not provide you the same information as U.S. domestic reporting companies or we may provide information at different times, which may make it more difficult for you to evaluate our performance and prospects.***

We are a foreign private issuer and, as a result, we are not subject to the same requirements as U.S. domestic issuers. Under the Exchange Act, we are subject to reporting obligations that, to some extent, are more lenient and less frequent than those of U.S. domestic reporting companies. For example, we will not be required to issue quarterly reports or proxy statements. We will not be required to disclose detailed individual executive compensation information. Furthermore, our directors and executive officers will not be required to report equity holdings under Section 16 of the Exchange Act and will not be subject to the insider short-swing profit disclosure and recovery regime.

As a foreign private issuer, we will also be exempt from the requirements of Regulation FD (Fair Disclosure) which, generally, are meant to ensure that select groups of investors are not privy to specific information about an issuer before other investors. However, we will still be subject to the anti-fraud and anti-manipulation rules of the SEC, such as Rule 10b-5 under the Exchange Act. Since many of the disclosure obligations imposed on us as a foreign private issuer differ from those imposed on U.S. domestic reporting companies, you should not expect to receive the same information about us and at the same time as the information provided by U.S. domestic reporting companies.

***As a foreign private issuer, we are permitted to rely on exemptions from certain Nasdaq corporate governance standards applicable to U.S. issuers, including the requirement that a majority of an issuer’s directors consist of independent directors. If we opt to rely on such exemptions in the future, such decision might afford less protection to holders of our ordinary shares.***

Section 5605(b)(1) of the Nasdaq Listing Rules requires listed companies to have, among other things, a majority of its board members to be independent, and Section 5605(d) and 5605(e) require listed companies to have independent director oversight of executive compensation and nomination of directors. As a foreign private issuer, however, we are permitted to follow home country practice in lieu of the above requirements. Our Board of Directors could make such a decision to depart from such requirements by ordinary resolution.

The corporate governance practice in our home country, the Cayman Islands, does not require a majority of our Board to consist of independent directors or the implementation of a nominating and corporate governance committee. Since a majority of our Board of Directors would not consist of independent directors if we relied on the foreign private issuer exemption, fewer Board members would be exercising independent judgment and the level of Board oversight on the management of our company might decrease as a result. In addition, we could opt to follow Cayman Islands law instead of the Nasdaq requirements that mandate that we obtain shareholder approval for certain dilutive events, such as an issuance that will result in a change of control, certain transactions other than a public offering involving issuances of 20% or greater interests in the company and certain acquisitions of the shares or assets of another company.

***As a “controlled company” under the rules of The Nasdaq Capital Market, we may choose to exempt our company from certain corporate governance requirements that could have an adverse effect on our public Class A shareholders.***

Our founding shareholder and Chief Executive Officer, Shaozhang Lin, beneficially owns 61.89% of our total voting power through his ownership of 49,287 Class A Shares and 5,605,727 Class B Shares, with Class B Shares having 20 votes per share, compared to 1 vote per share for Class A Shares. Upon the closing of this offering, Mr. Lin will continue to own a controlling interest in our company, and we will meet the definition of a “controlled company” under the corporate governance standards for Nasdaq listed companies. As such, we are eligible to utilize certain exemptions from the corporate governance requirements of The Nasdaq Stock Market. We are a “controlled company” within the meaning of Nasdaq Listing Rule 5615(c). As a controlled company, we qualify for, and our Board of Directors, the composition of which is and will be controlled by this shareholder, may rely upon exemptions from several of Nasdaq’s corporate governance requirements, including requirements that:

- a majority of the board of directors consist of independent directors;
- compensation of officers be determined or recommended to the board of directors by a majority of its independent directors or by a compensation committee comprised solely of independent directors; and

- director nominees be selected or recommended to the board of directors by a majority of its independent directors or by a nominating and corporate governance committee that is composed entirely of independent directors.

As long as our officers and directors, either individually or in the aggregate, own at least 50% of the voting power of our company, we are a “controlled company” as defined under Nasdaq Marketplace Rules.

Accordingly, to the extent that we may choose to rely on one or more of these exemptions, our shareholders would not be afforded the same protections generally as shareholders of other Nasdaq-listed companies for so long as these shareholders are collectively able to control the composition of our Board and our Board determines to rely upon one or more of such exemptions.

Purchasers of our Class A Shares will be unable to elect any directors of our company or participate in our corporate governance.

We do not intend to rely on the “controlled company” exemption under the Nasdaq listing rules for at least 1 year following completion of this offering. However, we may elect to avail ourselves of these exemptions in the future.

### **Risks Related to Ownership of Our Ordinary Shares**

***Our dual-class ordinary shares structure may negatively impact the market price of its ordinary shares.***

We cannot predict whether the dual-class ordinary shares structure of our company, combined with the concentrated voting power of a voting trust known as the Youxin BM Trust, with Kastle Limited as the Trustee, owning at least 50% of the voting power of our Company. Additionally, our founding shareholder and Chief Executive Officer, Mr. Shaozhang Lin, beneficially owned 57.03% of our total voting power through his beneficial ownership of 3,942,945 Class A Shares and 5,605,727 Class B Shares; and all of which has been transferred to Youxin BM Trust, will result in a lower or more volatile market price of our company’s Class A Shares, or other adverse consequences.

For example, certain stock index providers, such as S&P Dow Jones, exclude companies with multiple classes capital structure from being included in certain stock indices, including the S&P 500, the S&P MidCap 400 and the S&P SmallCap 600. In addition, several stockholder advisory firms and large institutional investors oppose the use of multiple class structures. As a result, the dual class structure of the ordinary shares of our company may prevent the inclusion of our company’s Class A Shares in such indices, may cause stockholder advisory firms to publish negative commentary about our company’s corporate governance practices or otherwise seek to cause our company to change its capital structure, and may result in large institutional investors not purchasing our Class A Shares. Any exclusion from stock indices could result in a less active trading market for our Class A Shares. Any actions or publications by stockholder advisory firms or institutional investors critical of our company’s corporate governance practices or capital structure could also adversely affect the value of our Class A Shares.

The holders of Class A Shares are entitled to 1 vote per share and the holders of the Class B Shares are entitled to 20 votes per share. Each Class B Share is convertible into one Class A Share under certain circumstances. The difference in the voting rights between Class A Shares and Class B Shares could also harm the value of our Class A Shares to the extent that any investor or potential future purchaser of our company’s Class A Shares ascribes value to the right of holders of its Class B Shares to twenty votes per share of Class B Shares, or could potentially result in the Class B Shares receiving higher consideration in a sale of such company than that paid to holders of our Class A Shares. The existence of two classes of ordinary shares could also result in less liquidity for our Class B Shares than if there were only one class of ordinary shares. See “Description of Share Capital” for more information on our securities.

***We are an “emerging growth company,” and we cannot be certain whether the reduced reporting requirements applicable to emerging growth companies will make our ordinary shares less attractive to investors.***

We are an “emerging growth company,” as defined in the JOBS Act. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We could be an emerging growth company for up to five years, although we could lose that status sooner if our revenues reach \$1.235 billion, if we issue \$1.0 billion or more in non-convertible debt in a three year period, or if the market value of our ordinary shares held by non-affiliates exceeds \$700 million as of any December 31 before that time, in which case we would no longer be an emerging growth company as of the following June 30. We cannot predict if investors will find our ordinary shares less attractive because we may rely on these exemptions. If some investors find our ordinary shares less attractive as a result, there may be a less active trading market for our ordinary shares and our share price may be more volatile. Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies.

***Because we have elected to use the extended transition period for complying with new or revised accounting standards for an “emerging growth company”, our financial statements may not be comparable to companies that comply with these accounting standards as of the public company effective dates.***

We have elected to use the extended transition period for complying with new or revised accounting standards under Section 107(b) of the JOBS Act. This election allows us to delay the adoption of new or revised accounting standards that have different effective dates for public and private companies until those standards apply to private companies. As a result of this election, our financial statements may not be comparable to companies that comply with these accounting standards as of the public company effective dates. Consequently, our financial statements may not be comparable to companies that comply with public company effective dates. Because our financial statements may not be comparable to companies that comply with public company effective dates, investors may have difficulty evaluating or comparing our business, performance or prospects in comparison to other public companies, which may have a negative impact on the value and liquidity of our ordinary shares. We cannot predict if investors will find our ordinary shares less attractive because we plan to rely on this exemption. If some investors find our ordinary shares less attractive as a result, there may be a less active trading market for our ordinary shares and our share price may be more volatile.

***If we are unable to implement and maintain effective internal control over financial reporting in the future, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our ordinary shares may decline.***

In preparing our consolidated financial statements as of and for the year ended September 30, 2025, we identified material weaknesses in our internal control over financial reporting, as defined in the standards established by the PCAOB and other control deficiencies. The material weaknesses that have been identified relate to (i) lack of sufficient and competent financial reporting and accounting personnel with appropriate knowledge of U.S. GAAP and reporting requirements set forth by the SEC to address complex U.S. GAAP technical accounting issues, and to prepare and review consolidated financial statements and related disclosures in accordance with U.S. GAAP and SEC reporting requirements; (ii) lack of formal internal control policies and internal independent supervision functions to establish formal risk assessment process and internal control framework; and (iii) lack of sufficient controls designed and implemented in IT environment and IT general control activities, which are mainly associated with areas of logical access management, change management as well as cyber security management.

Following the identification of the material weaknesses and control deficiencies, we have taken and planned to continue to take remedial measures, including hiring Serious Financial Management & Consulting (Shenzhen) Co. Ltd as our consultant which has the requisite training and experience in the preparation of financial statements in compliance with applicable SEC requirements, and implementing regular and continuous U.S. GAAP accounting and financial reporting training programs for our accounting and financial reporting personnel. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal controls over financial reporting, we will need to expend significant resources and provide significant management oversight. We plan to adopt measures to improve our internal file management procedures and an effective recognition procedure by (i) hiring additional finance and accounting staff with qualifications and work experiences in U.S.GAAP and SEC reporting requirements to formalize and strengthen key internal controls over financial reporting; (ii) design and formalizing internal control policies, ensuring clear segregation of duties, and implement a structured risk assessment process. Developing a comprehensive internal control framework that includes regular monitoring, clear accountability, and periodic reviews to enhance transparency and mitigate potential risks; and (iii) regularly conducting checks on the IT software we utilize to ensure its proper functionality, and arranging training sessions for our IT staff.

However, the implementation of these measures may not fully address the material weaknesses in our internal control over financial reporting. Our failure to correct the material weaknesses or our failure to discover and address any other material weaknesses or control deficiencies could result in inaccuracies in our financial statements and could also impair our ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis. Moreover, ineffective internal control over financial reporting significantly hinders our ability to prevent fraud.

As a public company, we are required to maintain internal control over financial reporting and to report any material weaknesses in such internal control. In addition, beginning with annual report on Form 20-F for the year ending September 30, 2025, we are required to furnish a report by management on the effectiveness of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act. We are in the process of designing, implementing, and testing the internal control over financial reporting required to comply with this obligation, which process is time consuming, costly, and complicated.

In addition, our independent registered public accounting firm are required to attest to the effectiveness of our internal control over financial reporting beginning with our annual report on Form 20-F following the date on which we are no longer an “emerging growth company,” which may be up to five full years following the date of this offering. If we identify material weaknesses in our internal control over financial reporting, if we are unable to comply with the requirements of Section 404 in a timely manner or assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting when required, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our ordinary shares could be negatively affected, and we could become subject to investigations by the stock exchange on which our securities are listed, the SEC, or other regulatory authorities, which could require additional financial and management resources.

***Our management team lacks experience in managing a U.S. public company and complying with laws applicable to such company, the failure of which may adversely affect our business, financial conditions and results of operations.***

Our current management team lacks experience in managing a U.S. publicly traded company, interacting with public company investors and complying with the increasingly complex laws pertaining to U.S. public companies. Prior to the completion of this offering, we mainly operate our businesses as a private company in the PRC. As a result of this offering, our company is subject to significant regulatory oversight and reporting obligations under the federal securities laws and the scrutiny of securities analysts and investors, and our management currently has no experience in complying with such laws, regulations and obligations. Our management team may not successfully or efficiently manage our transition to becoming a U.S. public company. These new obligations and constituents will require significant attention from our senior management and could divert their attention away from the day-to-day management of our business, which could adversely affect our business, financial conditions and results of operations.

***The requirements of being a public company may strain our resources and divert management’s attention.***

As a public company, we are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Act, the listing requirements of the securities exchange on which we list, and other applicable securities rules and regulations. Despite recent reforms made possible by the JOBS Act, compliance with these rules and regulations will nonetheless increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources, particularly after we are no longer an “emerging growth company.” The Exchange Act requires, among other things, that we file annual and current reports with respect to our business and operating results. In addition, as long as we are listed on The Nasdaq Capital Market, we are also required to file semi-annual financial statements.

We expect these rules and regulations to increase our legal, accounting and financial compliance costs and to make certain corporate activities more time-consuming and costly. In addition, we will incur additional costs associated with our public company reporting requirements. While it is impossible to determine the amounts of such expenses in advance, we expect that we will incur expenses of between \$500,000 and \$1 million per year that we did not experience prior to commencement of this offering.

As a result of disclosure of information in this report and in filings required of a public company, our business and financial condition has become more visible, which we believe may result in threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business and operating results could be harmed, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and adversely affect our business, brand and reputation and results of operations.

We also expect that being a public company and these rules and regulations will make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our Board of Directors, particularly to serve on our audit committee and compensation committee, and qualified executive officers.

***The market price of our ordinary shares may be volatile or may decline regardless of our operating performance, and you may not be able to resell your shares at or above the initial public offering price.***

If you purchase our ordinary shares in our initial public offering, you may not be able to resell those Shares at or above the initial public offering price. We cannot assure you that the initial public offering price of our ordinary shares, or the market price following our initial public offering, will equal or exceed prices in privately negotiated transactions of our shares that have occurred from time to time prior to our initial public offering. The market price of our ordinary shares may fluctuate significantly in response to numerous factors, many of which are beyond our control, including:

- actual or anticipated fluctuations in our revenue and other operating results;
- the financial projections we may provide to the public, any changes in these projections or our failure to meet these projections;
- actions of securities analysts who initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- announcements by us or our competitors of significant products or features, technical innovations, acquisitions, strategic partnerships, joint ventures, or capital commitments;
- price and volume fluctuations in the overall stock market, including as a result of trends in the economy as a whole;
- lawsuits threatened or filed against us; and
- other events or factors, including those resulting from war or incidents of terrorism, or responses to these events.

In addition, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. Stock prices of many companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. In the past, stockholders have filed securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business, and adversely affect our business.

***We do not intend to pay dividends for the foreseeable future.***

We currently intend to retain any future earnings to finance the operation and expansion of our business, and we do not expect to declare or pay any dividends in the foreseeable future. As a result, you may only receive a return on your investment in our ordinary shares if the market price of our ordinary shares increases.

***There may not be an active, liquid trading market for our ordinary shares.***

An active trading market for our ordinary shares may not develop or be sustained following the initial public offering. You may not be able to sell your shares at the market price, if at all, if trading in our shares is not active.

***Shares eligible for future sale may adversely affect the market price of our ordinary shares, as the future sale of a substantial amount of outstanding ordinary shares in the public marketplace could reduce the price of our ordinary shares.***

The market price of our shares could decline as a result of sales of substantial amounts of our shares in the public market, or the perception that these sales could occur. In addition, these factors could make it more difficult for us to raise funds through future offerings of our ordinary shares.

***We are subject to liability risks stemming from our foreign status, which could make it more difficult for investors to sue or enforce judgments against our company.***

Cayman Islands companies may not have standing to initiate a shareholder derivative action in a federal court of the United States. The circumstances in which any such action may be brought, and the procedures and defenses that may be available in respect to any such action, may result in the rights of shareholders of a Cayman Islands company being more limited than those of shareholders of a company organized in the United States. Accordingly, shareholders may have fewer alternatives available to them if they believe that corporate wrongdoing has occurred. The Cayman Islands courts are also unlikely to recognize or enforce against us judgments of courts in the United States based on certain liability provisions of U.S. securities law; and to impose liabilities against us, in original actions brought in the Cayman Islands, based on certain liability provisions of U.S. securities laws that are penal in nature. There is no statutory recognition in the Cayman Islands of judgments obtained in the United States, although the courts of the Cayman Islands will generally recognize and enforce the non-penal judgment of a foreign court of competent jurisdiction without retrial on the merits. This means that even if shareholders were to sue us successfully, they may not be able to recover anything to make up for the losses suffered.

Lastly, under the law of the Cayman Islands, there is little statutory law for the protection of minority shareholders. The principal protection under statutory law is that shareholders may bring an action to enforce the constituent documents of the corporation, our Memorandum and Articles of Association. Shareholders are entitled to have the affairs of the company conducted in accordance with the general law and the Memorandum and Articles of Association.

There are common law rights for the protection of shareholders that may be invoked, largely dependent on English company law since the common law of the Cayman Islands for business companies is limited. Under the general rule pursuant to English company law known as the rule in *Foss v. Harbottle*, a court will generally refuse to interfere with the management of a company at the insistence of a minority of its shareholders who express dissatisfaction with the conduct of the company's affairs by the majority or the board of directors. However, every shareholder is entitled to have the affairs of the company conducted properly according to law and the constituent documents of the corporation. As such, if those who control the company have persistently disregarded the requirements of company law or the provisions of the company's Memorandum and Articles of Association, then the courts will grant relief. Generally, the areas in which the courts will intervene are the following: (1) an act complained of which is outside the scope of the authorized business or is illegal or not capable of ratification by the majority; (2) acts that constitute fraud on the minority where the wrongdoers control the company; (3) acts that infringe on the personal rights of the shareholders, such as the right to vote; and (4) where the company has not complied with provisions requiring approval of a special or extraordinary majority of shareholders, which are more limited than the rights afforded minority shareholders under the laws of many states in the United States.

***Our Board of Directors may decline to register transfers of ordinary shares in certain circumstances.***

Our Board of Directors may refuse to register the transfer of our company's ordinary shares to any person. They may do so in their absolute discretion, without giving any reason for their refusal, and irrespective of whether the share is fully paid or our company has no lien over it.

If our directors refuse to register a transfer they shall, within three months after the date on which the instrument of transfer was lodged, send to each of the transferor and the transferee notice of such refusal. The registration of transfers may be suspended and the register closed at such times and for such periods as our Board of Directors may from time to time determine, provided, however, that the registration of transfers shall not be suspended nor the register closed for more than 30 days in any calendar year.

***You may be unable to present proposals before general meetings or extraordinary general meetings not called by shareholders.***

Cayman Islands law provides shareholders with only limited rights to requisition a general meeting and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our Memorandum and Articles of Association allow our shareholders holding shares representing in aggregate not less than 10% of our voting share capital in issue, to requisition an extraordinary general meeting of our shareholders, in which case our directors are obliged to call such meeting and to put the resolutions so requisitioned to a vote at such meeting.

Our Articles of Association do not provide our shareholders with any right to put any proposals before annual general meetings or extraordinary general meetings not called by such shareholders. Advance notice of at least five (5) clear days is required for the convening of our annual general shareholders' meeting and any other general meeting of our shareholders. A quorum required for a meeting of shareholders consists of at least one or more shareholders present in person or by proxy, representing not less than one-third of the outstanding shares carrying the right to vote at such general meeting. In the event we do not have quorum within 15 minutes of the time appointed for the meeting, or if at any time during the meeting it becomes inquorate, then: (a) if the meeting was requisitioned by the shareholders, it shall be cancelled; (b) in any other case, the meeting shall stand adjourned to the same time and place seven days hence, or to such other time or place as is determined by the directors. If a quorum is not present within 15 minutes of the time appointed for the adjourned meeting, then the shareholders present in person or by proxy shall constitute a quorum.

***There may be difficulties in protecting your interests under the laws of the Cayman Islands.***

Our corporate affairs are governed by, among other things, our Memorandum of Association, Articles of Association, the Cayman Islands Companies Act and common law of the Cayman Islands. The rights of shareholders to take action against our directors, actions by minority shareholders and the fiduciary responsibilities of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The laws of the Cayman Islands relating to the protection of the interests of minority shareholders differ in some respects from those in other jurisdictions. Such differences may mean that the remedies available to the minority shareholders may be different from those they would have under the laws of other jurisdictions.

***Certain facts, forecasts and statistics contained in this report are derived from a third-party report and publicly available official sources and they may not be reliable.***

Certain facts, forecasts and other statistics contained in this report relating to China, the PRC economy and the industry in which we operate have been derived from various official government publications or other third-party reports. We have taken reasonable care in the reproduction or extraction of the official government publications or other third-party reports for the purpose of disclosure in this report, however, we cannot guarantee the quality or reliability of such source materials. They have not been prepared or independently verified by us, the underwriter or any of their respective affiliates or advisers and, therefore, we make no representation as to the accuracy of such statistics, which may not be consistent with other information compiled within or outside the PRC. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, such statistics in this report may be inaccurate or may not be comparable to statistics produced with respect to other economies. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as the case may be in other jurisdictions. In all cases, investors should give consideration as to how much weight or importance they should attach to or place on such facts.

***If we are unable to continue to meet the listing requirements of Nasdaq, our Class A Shares will be delisted.***

On August 13, 2025, we received two deficiency letters from the Nasdaq notifying the Company (i) that the Company did not meet the minimum bid price requirement set forth in Nasdaq Listing Rule 5550(a)(2) and (ii) that the Company was not in compliance with Nasdaq Listing Rule 5550(b)(2).

Staff subsequently determined that as of September 19, 2025, the Company's securities had a closing bid price of \$0.10 or less for ten consecutive trading days. Accordingly, the Company is subject to the provisions contemplated under Listing Rule 5810(c)(3)(A)(iii). As a result, the Company received a delisting notice from The Nasdaq Capital Market. On September 29, 2025, the Company appealed the Staff's determination to a Hearings Panel. As previously noted, the filing of the appeal stays the delisting, and the Company's shares continue to trade on Nasdaq. On October 2, 2025, the Company received a letter from Nasdaq stating that, based on evidence that stockholders' equity increased to more than \$2.5 million, Staff determined that the Company is in compliance with Nasdaq Listing Rule 5550(b) and the deficiency pursuant to Nasdaq listing Rule 5550(b)(2) is closed.

On October 3, 2025, we disclosed receipt of a notice of delisting from the Nasdaq, as a result of its Class A Shares having a closing price of less than \$0.10 per share for ten consecutive trading days and failing to satisfied the minimum bid price requirement set forth in Nasdaq Listing Rule 5550(a)(2). The Company appealed this determination on September 29, 2025. On October 17, 2025, the Company received a letter from Nasdaq stating that the Company has regained compliance with the minimum bid price requirement in Listing Rule 5550(a)(2) and that the delisting hearing is therefore mooted. The Company's securities will continue to be listed and trade on The Nasdaq Stock Market.

If we are unable to achieve and maintain compliance with such listing standards or other Nasdaq listing requirements in the future, our Class A Shares could be delisted from Nasdaq. A delisting of our Class A Shares and our inability to list on another national securities market could negatively impact us by: (i) reducing the liquidity and market price of our Class A Shares; (ii) reducing the number of investors willing to hold or acquire our Class A Shares, which could negatively impact our ability to raise equity financing; (iii) limiting our ability to use certain registration statements to offer and sell freely tradable securities, thereby limiting our ability to access the public capital markets; and (iv) impairing our ability to provide equity incentives to our employees.

**General risks**

***Our business is sensitive to general economic conditions, and any severe or prolonged downturn in the global or PRC economy could materially and adversely affect our business and financial condition.***

Economic conditions in China are sensitive to global economic conditions. Because our current revenue is derived largely from China, our business and prospects may be affected by economic conditions in China. The sale of our products is dependent upon the consumption of goods in the retail industry, which may in turn depend on the level of disposable income, perceived future earnings and willingness to spend. Due to uncertain global economic conditions, particularly the current trade tension between the U.S. and China, our clients may reduce the amount they spend on cloud services, like ours. In addition, financial turmoil, banking systems or currency exchange rates may significantly restrict our ability to obtain financing in the capital markets or from financial institutions on commercially reasonable terms, or at all, which could also materially and adversely affect our business, results of operations and prospects.

## ITEM 4. INFORMATION ON THE COMPANY

### A. History and Development of the Company

We are a holding company incorporated on October 21, 2022 under the laws of the Cayman Islands. Our operating subsidiary in the PRC, Guangzhou Youxin Technology Co., Ltd. was founded on March 12, 2018. Our company has no substantial operations other than holding all of the outstanding share capital of Youxin Cloud (BVI) Ltd, which was established under the laws of the British Virgin Islands on November 10, 2022. Youxin Cloud (BVI) Ltd is also a holding company holding all of the outstanding share capital of Youxin Cloud (HK) Limited which was incorporated on December 13, 2022 under the laws of Hong Kong. Youxin Cloud (HK) Limited is a holding company holding all of the equity of Hainan Youxin Mutual Enterprise Management Co., Ltd., a wholly foreign-owned enterprise in Mainland China, or WFOE, which was incorporated on February 17, 2023 under the laws of the PRC. The WFOE holds all of the equity of Guangzhou Youxin Technology Co., Ltd and has acquired 51% of the equity interest of Celnet Technology Co., Ltd. (“Celnet”) on October 29, 2025. Celnet is one of the largest partners and platinum partners of Salesforce in China, which was incorporated on April 19, 2012. Our Class A Shares being offered in this report are shares of Youxin, our Cayman Islands holding company.

#### *Historical Timeline*

- March 12, 2018: We commenced operations through Guangzhou Youxin Technology Co., Ltd. (“Guangzhou Youxin”).
- June 30, 2020: Shareholders Shaozhang Lin, Jinhou Sun, Weizhao Feng transferred their combined 100% shares in Guangxi Yousen Network Technology Co., Ltd. (“Guangxi Yousen”) to Guangzhou Youxin.
- October 21, 2022: Youxin Technology Ltd (“Youxin Technology” or “Youxin Cayman”) was established as our offshore holding company to facilitate financing and offshore listing.
- November 10, 2022: Youxin Cloud Ltd. (“Youxin BVI”) was established and is wholly owned by Youxin Technology.
- November 17, 2022: Guangzhou Youxin disposed its subsidiary Guangxi Yousen.
- December 13, 2022: Youxin Cloud (HK) Limited. (“Youxin HK”) was established and is wholly owned by Youxin BVI.
- February 17, 2023: Hainan Youxin Mutual Enterprise Management Co., Ltd. (“YXHW” or “WFOE”) was established as a wholly foreign-owned enterprise in the PRC and is wholly owned by Youxin HK.
- April 28, 2023: the former shareholders transferred their 100% ownership interest in Guangzhou Youxin to WFOE.
- October 29, 2025: WFOE successfully acquired 51% of the equity interest of Celnet.

Our principal executive office is located at Room 1005, 1006, 1007, No. 122 Huangpu Avenue West, Tianhe District, Guangzhou, Guangdong Province, PRC. The telephone number of our principal executive office is +86 13631357745. We maintain a website at <https://www.ir.youxin.cloud/>, on which we will post our key corporate governance documents, including our Board committee charters and our code of ethics. We do not incorporate the information on our website into this report and you should not consider any information on, or that can be accessed through, our website as part of this report. Our registered office in the Cayman Islands is located at Ogier Global (Cayman) Limited, 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands or at such other place in the Cayman Islands as the directors may at any time decide. Our agent for service of process in the United States is CT Corporation System, located at 111 Eighth Avenue, New York, New York 10011.

Our cash generated from investing activities for the year ended September 30, 2025, 2024 and 2023 amounted to negative \$2,950,941, \$360 and \$815, respectively.

The SEC maintains an internet site that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC at <http://sec.gov>. We use our website (<https://www.ir.youxin.cloud/>) as channel of distribution of Company information. The information we post through this channel may be deemed material. Accordingly, investors should monitor our website, in addition to following our press releases, SEC filings and public conference calls and webcasts. The contents of our website are not, however, a part of this Annual Report on Form 20-F.

As a foreign private issuer, we are exempt from certain rules and regulations under the Exchange Act that are applicable to other public companies that are not foreign private issuers. For example, although we intend to report our financial results on a quarterly basis, we will not be required to issue quarterly reports, proxy statements that comply with the requirements applicable to U.S. domestic reporting companies, or individual executive compensation information that is as detailed as that required of U.S. domestic reporting companies. We will also have four months after the end of each fiscal year to file our annual report with the SEC and will not be required to file current reports as frequently or promptly as U.S. domestic reporting companies. Our senior management, directors, and principal shareholders are exempt from the requirements to report transactions in our equity securities and from the short-swing profit liability provisions contained in Section 16 of the Exchange Act. As a foreign private issuer, we will also not be subject to the requirements of Regulation FD (Fair Disclosure) promulgated under the Exchange Act.

## **B. Business Overview**

### **Overview**

We are a SaaS and PaaS provider committed to helping retail enterprises digitally transforming their businesses to develop, use and control business applications without the need to purchase complex IT infrastructure. We leverage the capabilities of our AI + PaaS platform to highly customize digital scenarios for our clients, extending beyond CRM services to include HRM and OA (Office Automation). This seamlessly connects all levels of the relationship chain from management teams to end-users. Our product offers clients a comprehensive, real-time view of their business operations across multiple interfaces, empowering them to make critical business decisions anytime, anywhere..

Currently, we have developed one of the few PaaS platforms in Mainland China that can build complex external digital applications (especially transaction-related distribution, store, and e-commerce clouds), which can mass-produce SaaS products from our PaaS platform. We serve the entire enterprise-application market, using PaaS-generated SaaS applications to cover customers' digital scenarios.

We believe that there is substantial market opportunity for our SaaS product and PaaS platform in China. According to CIC, the market for retail public cloud services in China, including ours, has experienced rapid growth over the past five years and is projected to maintain this steady rate of expansion for the next five years. As the demand for cloud-based solutions continues to rise, we believe clients will increasingly turn to public cloud services to streamline their operations, reduce costs, and enhance their overall performance.

For many customers in need of digitalization, traditional IT solutions cause their data to be scattered across various systems, making it difficult to get an overall view of their operations. The need for data integration and unified operation increases the demand for personalized integrated systems in which all software or terminals are fully interconnected, offering multiple data interfaces, and eliminating the problem of data silos. These larger, faster, and more complex systems capable of handling massive amounts of data and hybrid online and offline business management are needed to meet the clients' increasing IT demands and to streamline their operations, reduce redundancy, and increase productivity and profitability.

To meet the demands for customized and personalized SaaS products, traditional IT service companies in China must devote substantial resources because they lack standardized platforms capable of delivering personalized data integration and unified operations. Such traditional approaches can often be inefficient due to poor product replicability, heavy delivery and operation modes, and a significant drain on resources.

We believe our company is uniquely positioned to meet these needs for mid-tier brands in Mainland China. We specialize in supporting mid-tier brands that heavily rely on offline direct distribution with high volume IT update requirements. We provide a customized, comprehensive, fast-deployment omnichannel digital solutions that unify all aspects of commerce with store innovations, distributed inventory management, cross-channel data integration, and a rich set of ecommerce capabilities that encompass mobile applications, social media, and web-based applications.

We had 12 and 13 customers purchase our professional services and the payment channel services in fiscal year 2024 and 2025, respectively, primarily in the fast-moving consumer goods, cosmetics, and food and drink sectors. Our PaaS platform empowered us to develop highly customized CRM SaaS products for some leading brands such as P&G Guangzhou and Lancang Ancient Tea. Our net losses increased from approximately RMB9.23 million (\$1.28 million) for the year ended September 30, 2024 to approximately RMB69.57 million (\$9.65 million) for the year ended September 30, 2025. Our revenues increased by 3% from RMB3.76 million (\$0.52 million) in fiscal year 2024 to RMB3.89 million (\$0.54 million) in fiscal year 2025 and our gross profit decreased from RMB2.46 million (\$0.34 million) in fiscal year 2024 to RMB1.30 million (\$0.18 million) in fiscal year 2025.

We generate revenue from professional services, payment channel services, and other revenues. Professional Services revenue are mostly derived from CRM system development services, additional function development services and subscription services. The CRM system development services include process design, project management, system deployment and implementation, and launch to trial operation and acceptance. Additional function development services are based on fulfilling the additional needs of customers for customized CRM systems. Subscription revenues are derived from subsequent maintenance or update services to the customer. Our company charges an annual service fee as long as the customer is still using the constructed CRM system based on the number of user accounts over the subscription period. Contracts are generally one year and full payment is generally collected in advance. Our company also enables the user to make with payment services through our CRM system, such as top up, withdraw or transaction etc. Our company charges an agreed proportion of the transaction for the payment channel services. Lastly, our company charges a license fee to companies who provide services to their own customers based on our SaaS products.

## **Our Strengths**

### *End to End Unified Enterprise Solutions*

As one of the few providers of domestic applications that can support external digitization in Mainland China, we provide a comprehensive enterprise SaaS product and PaaS platform, with solutions across sales, marketing, and service for a variety of industries and business. Our solutions begin with our clients and end with our clients. Our customized service enables clients to manage their business operations digitally and intellectually by covering online shop operation, marketing, online product window display, order fulfillment, multi-channel marketing, customer relationship management, and membership program management all on the same platform. We also enable merchants to build a 360-degree view of their customers, allowing them to see everything from sales and marketing to commerce. For sales, intelligent automations on the platform put relevant customer information in the hands of stores which enables them to resolve simple queries from customers without even speaking to distributors or another store. In the delivery process, each store can process sales and inventory information simply by using the platform on their mobile phones rather than making timely internal phone calls.

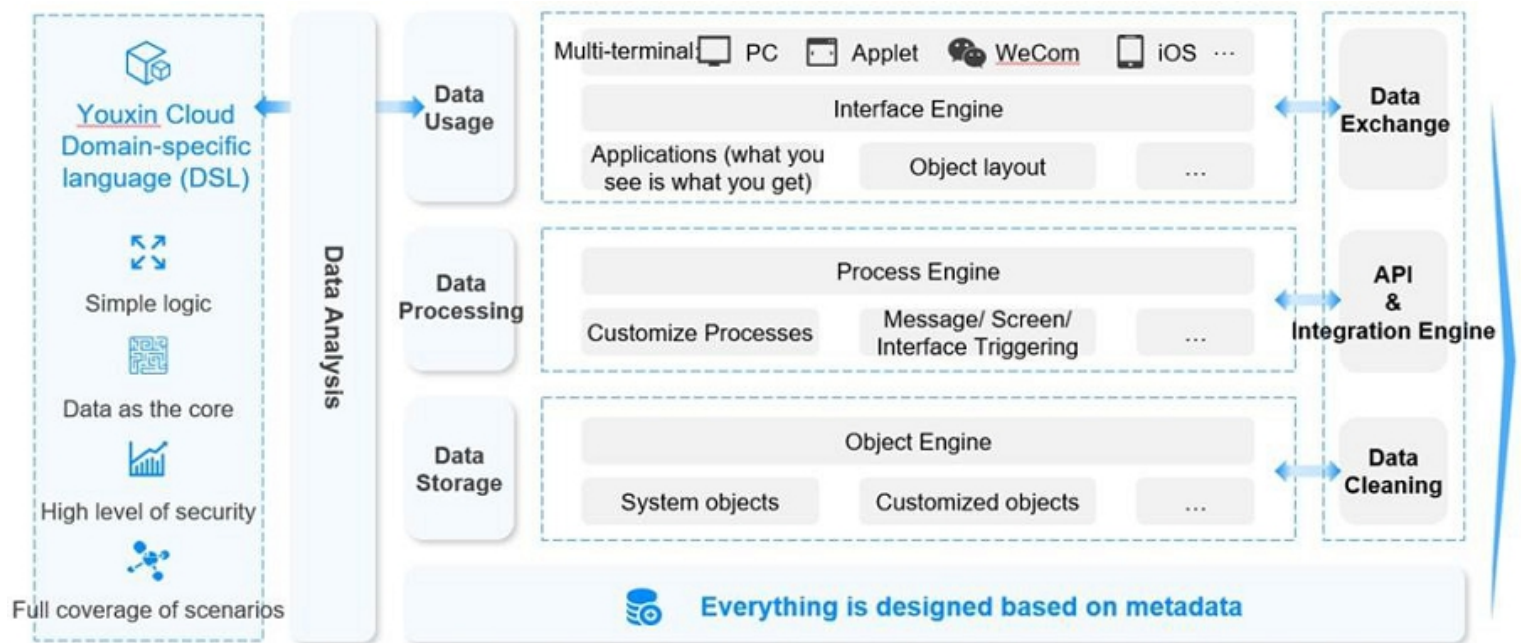
Below is an example that illustrates the digitalization of the overall business process of Lancang Ancient Tea using our PaaS platform.



*Best-in-Class Features and Functionality*

We stay at the forefront of cloud technology development and have built prominent research and development capabilities to maintain our technology leadership and upgrade our cloud solutions continuously. We have a strategy and a vision for how the platform can transform the client's organization and provide one of the few domestic SaaS products and PaaS platforms in Mainland China that can support external digital applications (especially transaction-related distribution, stores and e-commerce clouds), with a high degree of support for customization and using the client's own domain-specific language ("DSL") while also supporting the implementation of a small amount of code in special scenarios, thereby reducing the difficulty of operational implementation for clients.

The following diagram illustrates how domain-specific language is utilized on the Youxin Cloud PaaS Platform.



### *Abundant Retail Industry Experience*

Our business founders and management team have the business experience and insight to provide comprehensive and efficient solutions to meet the needs of our clients. The core team's expertise in technology development and deep understanding of the retail business comes from their experience in big tech companies like Tencent Holdings Ltd ("Tencent") and DiDi Global Inc., as well as from Salesforce partners across multiple industries. With years of technical expertise and business experience accumulated in the internet-related industry, our visionary management team and entrepreneurial spirit have consistently driven us to focus on the product itself since the company's inception. We challenge the conventional reliance on proportional workforce expansion for performance growth and strive for high-quality business enhancement. Leveraging a solid technical foundation and deep insights into industry verticals, we aim to provide AI-driven digitalization services across various sectors through expanded partnerships. Our management team remains steadfast in pursuing innovative solutions to deliver greater value to our clients.

### *Reduced Costs*

Clients using our SaaS product and PaaS platform can save on the heavy investment of setting up and maintaining complex IT infrastructure and multiple SaaS products. By entrusting us with their complex digital business needs, our clients are able to adopt the latest technologies with purpose-built capabilities for security, compliance and interoperability. This allows our clients to enjoy the same features of high-quality standard SaaS product for a fraction of the price.

### *Strong Synergies with Our Partners*

As one of 38 member companies in the world selected for Tencent's Cloud Native Accelerator, we can leverage cooperation in multiple dimensions, such as technology, business, community and funding, to accelerate ecological system construction. Tencent is China's leading cloud-native enabler. Tencent Cloud reported at the 2020 Cloud Native Technology Conference that cloud native product application programming interfaces, or APIs, which enable companies to open their applications' data and functionality to external third-party developers, are used 10 billion times daily by over 1 million developers and 500,000 customers. Tencent Cloud Native Accelerator will export Tencent's capabilities and technologies and collaborate with ecological partners to build a cloud native ecology. As a member of the Tencent Cloud Native Accelerator, we have and will continue to collaborate with Tencent on technology, business, community, and investment.

## **Our Strategies**

The key elements of our growth strategy include the followings, which we believe to empower us, further achieve greater growth and strengthen our market position:

### *Optimizing PaaS platform and SaaS service*

We have fostered strong loyalty with existing customers as a result of the high-quality customized PaaS platform service and solutions we offer, as well as our ability to deliver tangible value to customers by effectively addressing their specific business needs. We intend to leverage the technologies and knowledge gained from creating customized platforms for our clients to create products that are approximately 90% standardized to meet the needs to mid-tier brands in China while also allowing for additional customization to meet the unique demands of any client. By doing so, we anticipate the ability to offer products that offer a customized level of service at a cost affordable to the mid-tier brand market.

### *Continue to Invest in Infrastructure and Technology*

Our cloud platform relies heavily on infrastructure and technology. We allocate a substantial portion of our operating expenses to research and development, including upgrading our infrastructure, improving our cloud technology and developing new products and solutions. We incurred RMB1.14 million (\$0.16 million), RMB8.21 million (\$1.14 million) and RMB15.18 million (\$2.15 million) of research and development expenses for the years ended September 30, 2025, 2024 and 2023, respectively. We intend to continue investing in our infrastructure to provide higher-quality cloud services and improve operation efficiency. Our leadership in technology is built by our highly innovative and dedicated research and development staff. We had a team of approximately 35 engineers, researchers, programmers and computer and data scientists as of September 30, 2023, approximately 98% of whom hold a bachelor's degree or above. As of September 30, 2025 and 2024, our research and development team accounted for 15 and 20 different staffs respectively, because of our product strategy. Our recent As a technology-driven cloud service provider, we want to improve our research and development activities to enhance our technological capabilities to provide a suite of software products that can be delivered rapidly, affordably, flexibly, and iteratively to address the needs of mid-tier brands in China.

*Enhance Our Strategic Partner Ecosystem*

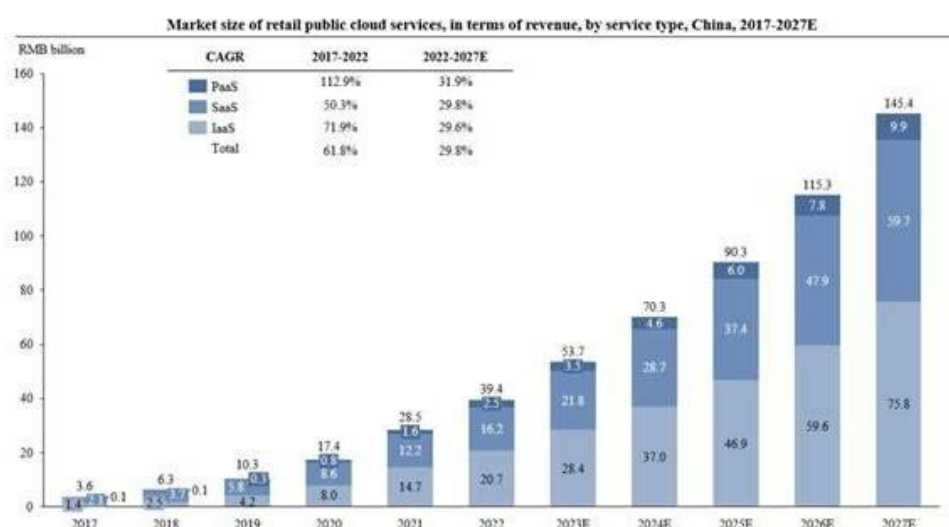
We value the cooperation with our strategic partners and seek to further enhance our strategic partner ecosystem. Our SaaS product and PaaS platform are delivered on a public cloud platform, and we need our vendors to work with us to meet customers’ individualized requirements. Our current strategic partners include Beijing Jiujiatong Technology Co. Ltd., for SMS service; Ali Cloud for Cloud storage; Bluelinksys for implement and Tencent Cloud Computing Beijing Co, Ltd. for network services. We intend to form additional strategic partner relationships with our suppliers, and to accelerate efficient growth via our partners.

**Industry Overview**

*Overview of China’s Cloud Service Market*

We believe that a successful IT solution for mid-tier brands requires a system that is complex and flexible. The system must be complex enough to handle the complexity of corporate systems, data, processes, and personalization which allow developers to conduct infinite extension through open components, plug-ins, and models based on the specific needs of organizations for rapid customization development. The system must also be flexible enough to address the need for frequent updates that require a high level of code structure and ease of maintenance to meet the increasing demand for corporate data integration and unified operation, which necessitates a comprehensive connection between software/business nodes, the provision of numerous data interfaces, and the elimination of data silos.

*High Growth of China’s Cloud Market*



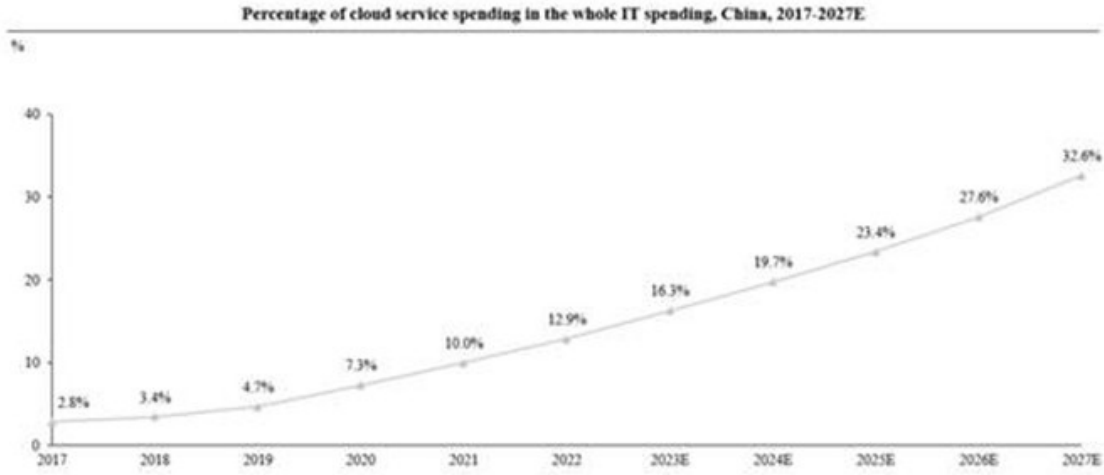
Source: China Insights Consultancy

Cloud services enable successful IT solutions that are both complex and flexible by providing on-demand access to a shared pool of configurable computing and storage resources and data that can be instantaneously deployed and scaled, providing enterprises with a variety of advantages over the traditional on-premise IT solutions.

Cloud services can either be private or public. Private clouds, also known as data centers, reside on a company’s own infrastructure, which is typically protected by a firewall and physically secured. Public clouds are on-demand and share infrastructure and resources provided by a third party. In a public cloud deployment, an organization uses one or more cloud services, such as software-as-a-service (“SaaS”), platform-as-a-service (“PaaS”), or infrastructure-as-a-service (“IaaS”), from a public cloud service provider such as AWS or No update Azure, without relying on private cloud (on-premises) infrastructure.

Retail integration in China is encouraging more offline merchants to adopt cloud based online store operations and management, thereby reducing the offline merchants’ reliance on human intervention and enhancing business efficiency. According to CIC, the market size of China’s cloud services increased from RMB 69.2 billion in 2017 to RMB 442.7 billion in 2022, representing a CAGR of 44.9%. This trend is anticipated to keep growing and is expected to reach RMB 1,466.8 billion in 2027, representing a CAGR of 27.1% from 2022 to 2027.

Globally, the market size of cloud services in terms of revenue grows from \$146.7 billion to \$397.4 billion from 2017 to 2022, China’s cloud services market size only takes 7.0% in 2017 and 16.6% in 2022 despite being the second-largest economy in the world, China’s cloud service market is still at an early stage. However, there has been a significant increase in the spending on cloud services as a percentage of total IT spending in China with a percentage of total IT spending rising from 2.8% in 2017 to 12.9% in 2022, indicating a growing demand for cloud-based solutions. Given this trend, it is projected that the spending on cloud services as a percentage of total IT spending in China will continue to rise and reach 32.6% by 2027, representing a significant shift towards cloud-based solutions.

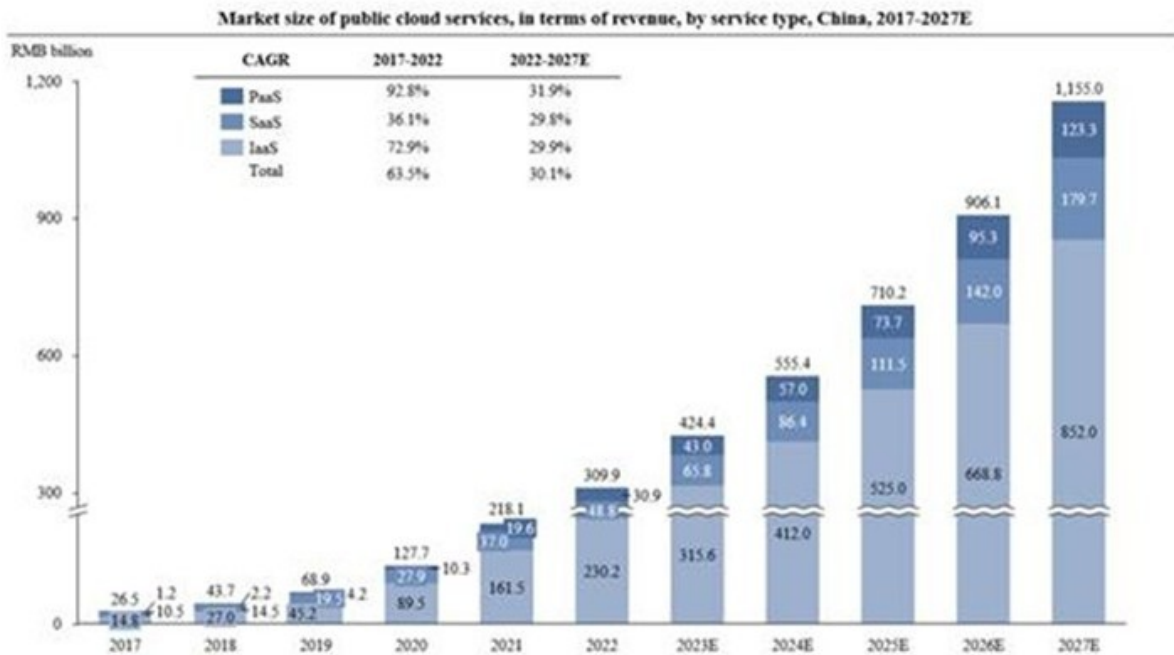


Source: Ministry of Industry and Information Technology, China Insights Consultancy

Public cloud services have experienced high growth since 2017. According to CIC, the market size of public cloud services in China has increased from RMB 26.5 billion in 2017 to RMB 309.9 billion in 2022, representing a CAGR of 63.5% from 2017 to 2022, and is expected to reach RMB 1,155 billion in 2027, representing a CAGR of 30.1% from 2022 to 2027.<sup>2</sup>

Despite this growth, the spending on public cloud services as a percentage of total IT spending in the retail industry in China is still low, measuring 12.1% in 2022 and creating a large market opportunity for public cloud service in the retail industry.

*Subsectors for Public Cloud Service*



Source: China Academy of Information and Communication Technology, China Insights Consultancy

The market for public cloud services can be further segmented into IaaS, PaaS, and SaaS. We believe that China's cloud service development is still in its infancy, with enterprises migrating from on-premise IT models to cloud services. We believe that SaaS and PaaS are the future growth drivers of China's public cloud market as the transition from infrastructure to platform continues. In 2022, SaaS and PaaS comprised 25.7% of public cloud service revenue. PaaS has a CAGR of 92.8% from 2017 to 2022 and estimated CAGR of 31.9% from 2022 to 2027. Similarly, SaaS experienced a CAGR of 36.1% from 2017 to 2022 and is expected to have a CAGR of 29.8% from 2022 to 2027.

## **Our Solutions, Products and Development**

### *Common Characteristics of Our PaaS Ecological Platform and SaaS Standard Product*

Currently, our suite of products includes our high-quality PaaS cloud service and our SaaS standard product. To date, we have designed over 80 PaaS cloud solutions covering a wide spectrum of the retail, religion and cosmetic industries. All of our products benefit from the following characteristics:

● **Scalability.** The services are scalable to handle business applications for a higher number of users, both automatically and manually. We use several techniques to ensure the smooth operation of our system (not including scheduled maintenance). Our servers have no disks and can boot immediately from cloud-based online storage. Microservice backend applications are spaceless, which makes it possible to deliver services in a production environment by creating a new server and allocating a set of microservice nodes.

● **Accessibility.** By utilizing enterprise applications running on PaaS platform and SaaS standard product, our clients' internal employees can conduct business at any time and from any location, while external users and partner companies can use Youxin Cloud's terminals, such as a client side application or distributor application, to generate business activities easily and quickly.

● **Data Security.** We use ISO27001 accreditation, Level 3 Equal Protection certification, hierarchical permissions for browsing at the application level, and real-time encryption and decryption modules for sensitive data to assure data security. These security measurements consist of industry-standard components and solutions. For security, Youxin Cloud uses AliCloud's fortress machine, web application firewall and several security measures at the application level, to prevent unauthorized access to our customers' data and avoid security threats or data leakage. We adhere to the concept of least privilege and restrict access to programs and databases. Before accessing our systems, all users must be approved, authenticated, and validated. To have access to our business services, users must have a valid user ID and password. Our flexible security paradigm enables various user groups to have varying degrees of system access. To safeguard data in transit, we demand the usage of Secure Socket Layer version 3, or SSL3, or Transport Layer Security, or TLS, between the user's browser and our server, which we believe are the industry leading security protocols designed to facilitate privacy and data security for communications over the Internet. Additionally, Youxin Cloud enables corporate clients to include critical information in their storage tables, and each corporate client has their own encryption key. Before being written to the database, the key encrypts the sensitive data, and the database saves only the ciphertext, not the plaintext. Customers must pass through the decryption module to access the sensitive information. Operations and developers cannot access the database to get the critical information in plaintext.

### *Our PaaS Platform Benefits*

Our core PaaS development platform offers the following benefits to our clients:

- **Cutting-edge cloud experience.** Our cloud platform was designed with multi-industry compatibility in mind from day one, built to operate each client's business with flexibility and distributed capabilities. Compared to traditional software enterprise service providers, our underlying software infrastructure is relatively distinct, and we maximize the total code efficiency for our clients by conducting private deployments on multiple clouds. We believe that Youxin Cloud is one of the few domestic cloud services in China for complex business systems based on PaaS that can build millions of complex external digital applications (especially transaction-related distribution, store, and e-commerce clouds). Traditional software vendors only customize and develop systems with simple internal applications that require little to no coding and cannot support complex external applications.

- **Drive revenue with efficiency and flexibility.** With our simple and lightweight build applications, retail chain participants, such as distributors, stores, resellers can view data in real time on one screen. The communications stay up-to-date and accurate, avoiding repetition regardless of how a customer chooses to interact. To quickly react to the client's IT need, the general customized applications developed by our PaaS platform can be delivered to the clients in approximately two months based on the client's operation and specific needs.
- **Seamless end-to-end service.** With a PaaS platform, clients can be better connected to transactional data and customer history, enabling service agents to consistently deliver high-quality interactions. Based on the variety of cloud products, we have designed various industry-specific solutions that can unleash the full potential of our infrastructure resources and add value to our customers.

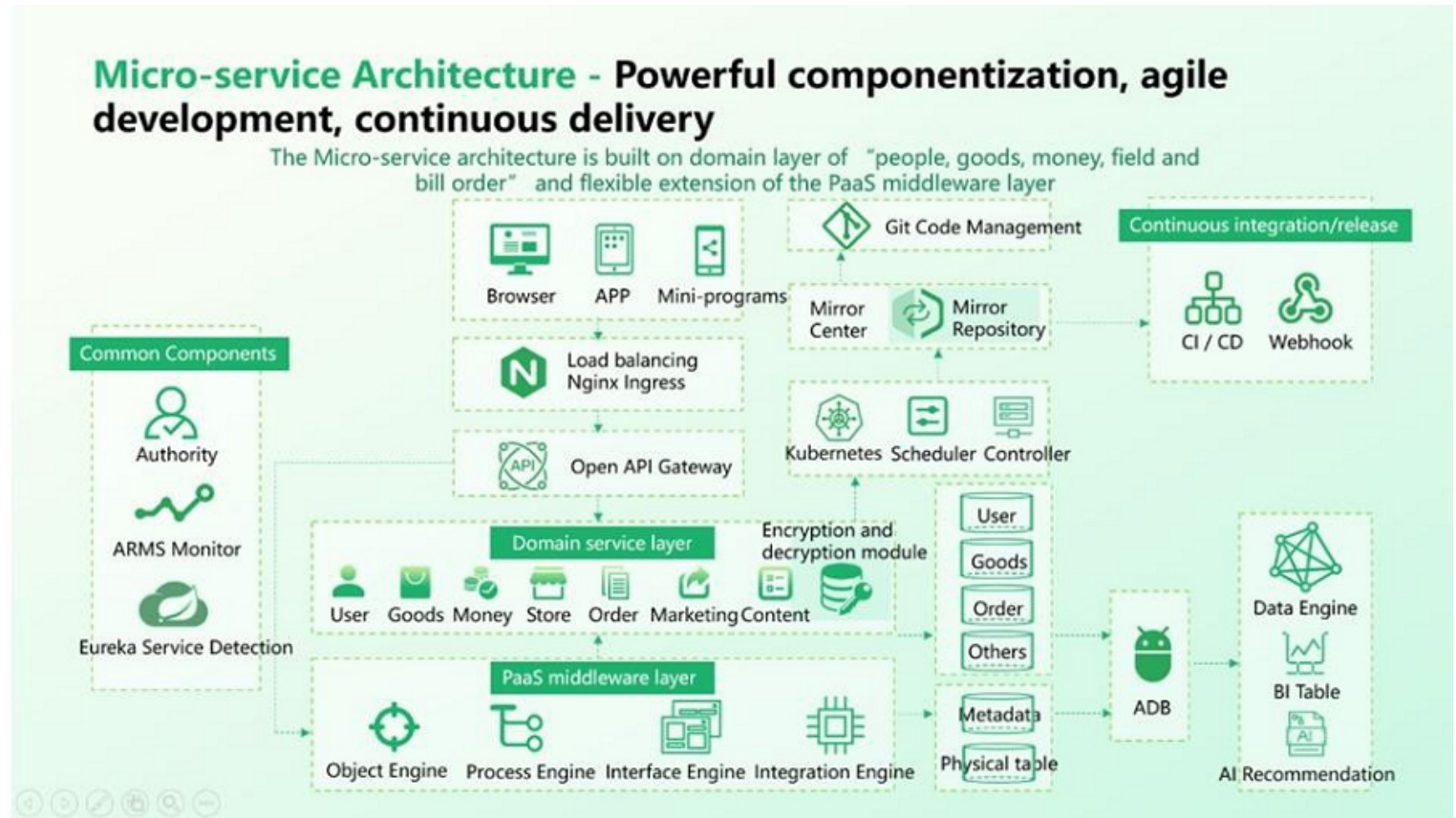
*Highly Secured Multi-Tenant System.* The Youxin Cloud system uses multi-tenant-oriented cloud services resource-sharing scheme, with good isolation design so that the resources seen from the tenant's perspective are exclusive to it even though the underlying layer is shared by multiple tenants. The solution allows Youxin Cloud-based tenant-built corporate applications to operate on shared infrastructure servers or dedicated servers through configuration routing. This design enables simple tenant hierarchy, lowers the risk of infrastructure failures for big tenants, enhances system scalability and security, and enables deployment in a variety of locations.

*Industry Standard Components and Solutions.* We use industry-standard servers and network components for our Youxin Cloud. Our default operating systems and databases are Linux and MySQL, which are portable across a variety of platforms, including Microsoft Windows, Microsoft SQL Server, and Oracle databases. Youxin Cloud provides a Spring Cloud microservices system based on the Java ecosystem, Git distributed code management, Kubernetes container cluster management, RabbitMQ queue, and Redis cache. Youxin Cloud also employs Web 2.0 technologies such as AJAX and HTML to provide users with a consistent UI experience across multiple terminals.

*Micro Cloud Service Architecture.* We have established a micro cloud service architecture for our PaaS platform allowing large applications to be separated into smaller independent parts that when combined is capable of building millions of sophisticated external digital applications (particularly transaction-related distribution, stores, and e-commerce clouds) and can rapidly execute customized project deployments for our customers.

- **High concurrency:** Includes over 60 microservices, 400 builds per week. Our platform can significantly minimize system requirements and server load via large-scale and concurrent cloud computing, which in turn provides a Kubernetes, an open-source container-orchestration system for service discovery, load balancing, high availability, cluster fault tolerance, scheduling, and deployment.
- **High Stability:** We offer sophisticated fault isolation and failure analysis techniques based on Spring Cloud's mechanism.
- **High adaptability:** Distributed tracking and traffic control based on AliCloud ecology - service governance and service unbundling based on a thorough business domain understanding.

The chart below illustrates how Micro Cloud Service Architecture works for our PaaS platform.



**PaaS Sections.** We developed the PaaS platform to facilitate technology-driven product interconnectivity suited for China’s vast retail enterprise customers. While low-code development platforms allow businesses to develop software quickly with minimal coding, we believe that they are not suitable for supporting the complex applications needed to meet the needs of mid-tier brands. After years of experimenting and adaptation, we created our own development language for the Youxin Cloud that supports the following distinct PaaS sections:

- **Applications.** We have pre-built four core applications into Youxin Cloud:

**Distribution Cloud**



*Store Cloud*



*E-Commerce Cloud*



**Provide enterprises with full-link management tools from customer acquisition to transaction, and build a new SCRM system**

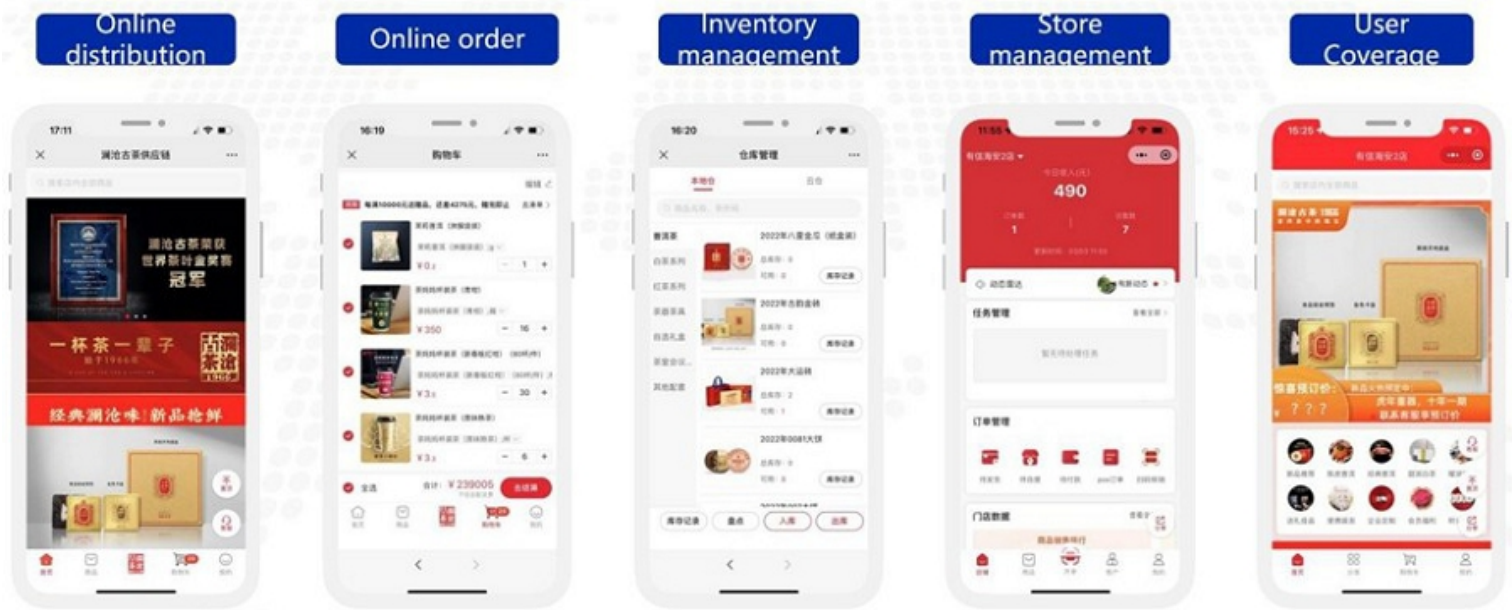


Each of these core applications can be downloaded and used immediately. New applications can also be developed and added to the platform. Each of our core applications consists of several sub applications which allow brand administrators, distributors, stores, and customers to log into separate personalized sites. Our product logic and development path are similar that of the Salesforce.com platform; however, the development platform accommodates more functions tailored to the Chinese retail market:



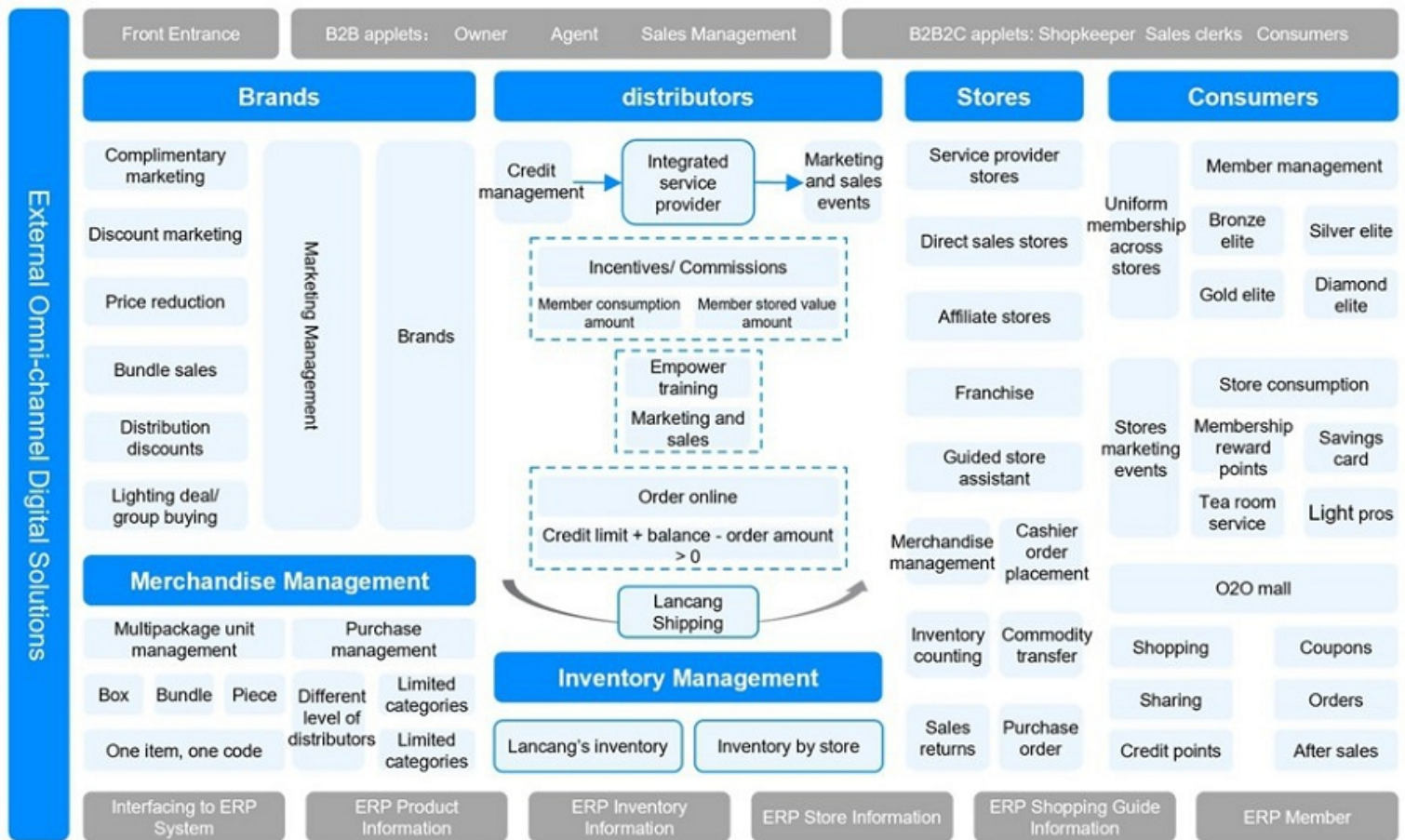
- Object Engine.** Available options include pre-built “complicated” domain-level objects, such as items, orders, stores, etc., and bespoke objects. The benefit of pre-built objects is that developers no longer need to construct sophisticated data storage and related logic from start, and they can extend these objects independently.
- Interface Engine.** The highly configurable front-end interface includes a component layer, a container layer, and a code layer. The majority of our competitors have only a single component layer and lack container and code layers. The component layer is pre-configured with dozens of components, including standard product listings and rotations. The container layer allows a user to drag-and-drop a container box and create a Photoshop-like interface within. With the code layer, we provide a low-code language that allows developers to write customized business code on the platform and expand functions as needed. This page’s front-end is developed and published in APP, Official Account, Mini Program, enterprise WeChat and other mobile terminals.

Below is an example of our interface:



- **Process Engine.** Visualizes e-commerce flow, including order flow and shipment flow. Process visualization choreography, which is intuitive, clear, and powerful. We will visualize these processes to make it understandable to enterprise managers. Youxin has one of the few platforms in China capable of visualizing the essential components of e-commerce flow and modifying the engine in a flexible manner.
- **All-user Communication.** The engine links employees, partners, distributors and clients. The management portal and partner portal are pre-configured, and all applications can be provided to users with distinct identities or responsibilities. Permissions can be configured by functional module (application, menu, object, field, button, etc.) and allocated to various individuals and identities via data line and rule.
- **Integration Engine.** Our PaaS applications are not isolated, and for large organizations, they must be integrated with the enterprise's original systems. Visually interacting with each other's application programming interface is an advantage of the integration engine.
- **Data Engine.** Visualization of data, an essential module for large systems. We offer data factories that can assemble diverse forms of data and enable peers to analyze them using a unified format. Our data factories are built on the PaaS platform's data integration services, which create data-driven workflows to move and convert data, facilitating its display and sharing across multiple systems. Moreover, we offer robust charting components that cater to the diverse visualization requirements of our customers. With our services, customers can access a comprehensive data management solution that enables them to streamline their workflows, minimize data redundancy, and enhance productivity.
- **Data and Security.** We have full data import, export, and printing capabilities, and data encryption procedures to suit the data security requirements of major clients.
- **Exap Domain Language.** By providing Exap domain language, we can reduce the threshold requirements for clients to use code to modify software. For example, java-based systems can require over 5 years of java experience, whereas the Exap code in our platform allows one to operate with a simple syntax through the visualization process.

*PaaS service User Experience.* Our PaaS platform allows us to deliver an improved in-depth experience to all users, including brands, distributors, stores and consumers.



- **Brand Experience.** Our marketing section in our development platform empowers marketers to improve targeting and refine segmentation as well as removing manual processes to improve marketing efficiency. Decision makers gain access to actionable insights that allow data-driven decisions to improve business operations. They have greater visibility into the pipeline, they can assess the performance of different teams, and they can determine where things stand in the sales process, which offers them enhanced ability to build reports and dashboards and analyze data. The brand marketers may conduct complimentary marketing, discount marketing, price reduction, bundle sales, distribution discounts, lighting deal and group buying based on the customer data collected and perform online marketing activity through the platform.
- **Distributor Experience.** Our platform allows distributors to automate their processes and move away from analog. With real time data, distributors are able to react more quickly to insights and make better decisions to improve inventory and ordering efficiencies. The integrated service provider is able to carry on credit management, and target credit sales events. The distributor team can keep records for their numbers of sales for incentives and commissions on the platform. This innovative process reduces unplanned downtime.
- **Store Experience.** Our system provides stores with the data and platform needed to effectively manage all aspects of store operations including merchandise inventory, order placement, merchandise transfer and sales returns. For the order processing, data insights encourage improvements to inventory and ordering efficiencies. Offline store sales staff can engage with customers in-store in new ways which enhances their experiences with more seamless interactions. Store operators have critical information at their fingertips to help them operate more efficiently and with more flexibility and accuracy.
- **Customer Experience.** We provide improved customer management throughout the ordering process, including pre-order, in-order and post-order. Our platform brings together disparate data sources and captures new data to create a complete profile of customers so stores can personalize and tailor their customer communications. Upon finishing a purchase, the consumers can receive membership reward points along with additional marketing materials through membership. Our online customer system creates deeper client connections with the brand through. Increased omnichannel retailing on our platform enables the customers to experience better data integrity.

## Our AI+PaaS Solution

Leveraging the technologies and expertise accumulated from our PaaS platform, we have developed an AI-powered digital enablement solution designed specifically for mid-tier brands in China. This ready-to-deploy solution allows clients to focus on business application development without managing underlying components such as operating systems, storage, or infrastructure. It helps drive channel sales and partner performance by allowing a user to easily manage resellers, distributors and brokers all in one place. Users can conveniently communicate and retrieve various data files such as pictures, audio, video and text, etc.

### Features:

AI+PaaS solution provides the following features:

- **Acceleration of real-time online communication.** AI+PaaS solution features high availability, reliability, flexibility, and ease of use for real-time online communication between distribution chain participants. Managers gain AI-driven insights into frontline operations to proactively identify issues and allocate resources. Sales teams can dynamically identify optimal distribution channels and respond to instructions in real-time. The system automatically initiates smart approval workflows for incentive policies with full-process synchronization. For example, if a certain distributor needs an incentive policy that the brand did not previously provide, based on AI+PaaS solution, they can quickly initiate an application to the corresponding manager. The manager will review and approve it at the same time as the information is synchronized. The platform's benefits are not limited to just incentive policy communication; traditionally, the communication of frontline information about consumer goods has been a time-consuming process with numerous intermediate layers and delayed message transmission. We break through traditional communication barriers in the consumer goods industry by delivering seamless business collaboration through mobile devices, driving continuous organizational efficiency improvements.
- **Satisfaction of the customized demands.** AI+PaaS solution is tailored to match the specific demands of all mid-tier brands. The application can be built from zero by eco-partners or Our implementation engineers using our PaaS platform; or on Youxin Cloud's existing mature SaaS products, through our low code language or object engine plus process engine, expanding the existing functions to meet the customization needs of enterprise clients.
- **Adaption to organizational changes.** If changes occur within a company, such as organizational restructuring, staff transfer, regional mergers and splits, promotion policy adjustment, product up/down, pricing adjustment, etc., AI+PaaS solution can be modified to meet the new requirements within a few hours or in one day.
- **User Friendly.** The system is easy to use and can be mastered with almost no learning cost.
- **Affordable price.** We believe our AI+PaaS solution allows our customers to enjoy product features found on much more expensive products for a fraction of the price.

## Our Customers

We primarily focus on providing service to mid-tier brands that rely on offline distribution strategies with significant IT upgrading needs. Our typical customer possesses over 50 sales personnel, divided into two to four management levels, a docking service of 500 to 1,000 dealers, goods distribution to 50,000 to 200,000 terminal stores, with annual sales between RMB100 million and 1 billion. These mid-tier brands primarily consist of clients in the fast-moving consumer goods, cosmetics, and food and drink sectors.

Our platform has gathered a broad and diverse customer base, which has expanded rapidly since our inception. We generally enter annual cloud service contracts with our PaaS cloud service customers. For our enterprise PaaS cloud service customers, we enter into service contracts on a project basis.

The following table sets forth information as to each customer that accounted for 10% or more of net revenue for the years ended September 30, 2025, 2024 and 2023.

Customer	Years Ended September 30,					
	2025		2024		2023	
	Amount	%	Amount	%	Amount	%
Customer B	\$ 208,531	39%	\$ 134,551	26%	\$ 147,268	16%
Customer E	112,528	21%	-	-	-	-
Customer F	89,172	16%	-	-	-	-
Customer A	19,464	4%	194,598	37%	264,686	30%
Customer C	28,031	5%	-	-	142,807	16%
Customer D	-	-	75,562	14%	121,509	14%
<b>Total</b>	<b>\$ 457,726</b>	<b>85%</b>	<b>\$ 404,711</b>	<b>77%</b>	<b>\$ 676,270</b>	<b>76%</b>

The following table sets forth information as to each customer that accounted for 10% or more of total gross accounts receivable as of September 30, 2025 and 2024.

Customer	September 30, 2025		September 30, 2024	
	Amount	% of Total	Amount	% of Total
Customer B	\$ 176,534	83%	\$ 121,524	73%
Customer A	24,344	11%	-	-
Customer E	1,397	1%	29,412	17%
<b>Total</b>	<b>\$ 202,275</b>	<b>95%</b>	<b>\$ 150,936</b>	<b>90%</b>

## Sales, Marketing and Branding

To promote our cloud products and solutions, we either directly contact our customers or cooperate with third-party agents. Direct sales conducted by our experienced industry-focused sales team is the primary sales approach of our products. To promote our cloud products and solutions, particularly when we enter into a new vertical, we cooperate with industry leaders to complete lighthouse projects to demonstrate our technological capabilities and the advantages of our cloud products and solutions. We then leverage such lighthouse projects to develop and offer products and solutions for other customers, further penetrating the vertical. We seek to generate recurring revenues through after-sale services and cross-sell new solutions after we gain insights into customer needs.

**Intellectual Property**

We develop and protect our intellectual property portfolio by registering our patents, trademarks, copyrights and domain names. We have also adopted a comprehensive set of internal rules for intellectual property management. These guidelines set the obligations of our employees and create a reporting mechanism in connection with our intellectual property protection. We have entered into standard employee agreements and confidentiality and non-compete agreements with our full-time R&D staff, which provide that the intellectual property created by them in connection with their employment with us is our intellectual property.

As of the date of this report, we have registered 2 patents, 12 trademarks, 65 software copyrights, and 7 domain names in China and overseas. We intend to vigorously protect our technology and proprietary rights, but there can be no assurance that our efforts will succeed. Even if our efforts succeed, we may incur significant costs in defending our rights. See “Risk Factors – Legal and Regulatory Risks– Any failure to obtain registration or protection of our intellectual property rights could impair our ability to protect our proprietary technology and our brand, causing us to incur significant expenses and harm our business.”

**Patent Information**

Guangzhou Youxin owns 2 patents granted in the PRC:

Type	Title	Patent Number	Expiration Date	Audit Status
Invention	A Configurable Commission Settlement Method, Device, and Computer-Readable Storage Medium	ZL202110547220.6	2041-05-18	Certified
Invention	A quantity synchronization method and synchronization device based on a synchronization frame	ZL202110949465.1	2041-08-17	Certified

Guangzhou Youxin owns 8 pending patents in the PRC:

Type	Title	Patent Number	Application Date	Audit Status
Invention	Computer task execution method, device, equipment and storage medium	202210565732.X	2022-05-19	Substantive examination stage
Invention	Restricted method, device, equipment and storage medium for order operations	202210383377.4	2022-04-14	Substantive examination stage
Invention	A hybrid cloud-based data access system and public cloud server	202110834771.0	2022-05-19	Substantive examination stage
Invention	A multi-tenant Restful API interface management method and device	202210392323.4	2022-04-14	Substantive examination stage
Invention	A BPMN business process conversion method and device	202210490437.2	2022-05-06	Substantive examination stage
Invention	Multi-tenant data processing method and device based on metadata table	2021109236522	2021-08-12	Request for reexamination
Invention	A task abnormality alarm method, device, terminal equipment and storage medium	2021105468963	2021-05-19	Request for reexamination
Invention	General method, device and terminal equipment for connecting third-party service system interface	2021105370931	2021-05-17	Request for reexamination

**Software Copyright Information**

We have a total of 67 copyrights, including software copyright and literary work copyright. Copyright for software includes applications, platforms, and system software. Guangzhou Youxin owns 65 of those software copyrights and 2 literary copyrights.

Software copyrights owned by Guangzhou Youxin:

<b>Type</b>	<b>Full Name of Software</b>	<b>Registration Number</b>	<b>First Publication Date</b>	<b>Registration Approval Date</b>
Software Copyright	E-Commerce Network Sales Service Platform V1.0	2019SR1379484	2018-12-25	December 31 of the 50th Year after the First Publication
Software Copyright	E-Commerce New Retail Cloud Service Platform V1.0	2019SR1379477	2018-12-20	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin E-Commerce Management Backend System V1.0	2019SR1274969	2019-05-23	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Community Grouping System V1.0	2019SR1266142	2019-03-18	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Social New Retail System V1.0	2019SR1275038	2019-05-13	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Tankebao System V1.0	2019SR1257745	2019-05-21	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Social Mall System V1.0	2019SR1250418	2019-08-03	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Chain Store Management System V1.0	2019SR1270054	2019-08-21	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Distribution Management System V1.0	2019SR1257532	2019-09-16	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Social Distribution Platform V1.0	2020SR1760239	2020-07-01	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Omnichannel Business System V1.0	2020SR1768184	2020-07-31	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Omnichannel Data System V1.0	2020SR1739430	2020-09-22	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Store Shopping Guide Management Platform V1.0	2020SR1739465	2020-10-12	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Consumer Marketing Platform V1.0	2020SR1739431	2020-10-29	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Mobile Marketing Management System V1.0	2021SR1642266	2020-07-16	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin D2b Distribution Cloud Service System V1.0	2021SR1638327	2020-08-12	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin D2c Retail Cloud Service System V1.0	2021SR1638326	2020-09-09	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Cloud Store Management System V1.0	2021SR1638677	2020-10-21	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Enterprise Wechat Management System V1.0	2021SR1642393	2020-11-12	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Paas Platform System V1.0	2021SR1638325	2020-12-17	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Marketing Policy Management System V1.0	2021SR1638224	2021-03-11	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Kuaidoutong Live Management System V1.0	2021SR1638121	2021-04-12	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Open Platform Management System V1.0	2021SR1638122	2021-05-19	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin One Item One Code Management System V1.0	2021SR1642267	2021-06-10	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Warehouse Shipping Management System V1.0	2021SR1638324	2021-07-10	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Service Card Item Management System V1.0	2021SR1638176	2021-08-12	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Smart Marketing Integrated Operation Management Software V1.0	2022SR0760579	2021-06-18	December 31 of the 50th Year after the First Publication

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Type	Full Name of Software	Registration Number	First Publication Date	Registration Approval Date
Software Copyright	Cloud Order Tracking Management System V1.0	2022SR1490871	2022-08-28	December 31 of the 50th Year after the First Publication
Software Copyright	Exap Low-Code Domain Programming Language System V1.0	2023SR0103176	2022-06-24	December 31 of the 50th Year after the First Publication
Software Copyright	Low-code formula management system V1.0	2023SR0097384	2022-08-31	December 31 of the 50th Year after the First Publication
Software Copyright	Service Pass Customer Management System V1.0	2023SR0097525	2022-03-29	December 31 of the 50th Year after the First Publication
Software Copyright	Data Import and Export Management System V1.0	2023SR0268178	2022-03-29	December 31 of the 50th Year after the First Publication
Software Copyright	Salesman Performance Management System V1.0	2023SR0123042	2022-10-13	December 31 of the 50th Year after the First Publication
Software Copyright	User Organization Rights Management System V1.0	2023SR0107895	2022-08-12	December 31 of the 50th Year after the First Publication
Software Copyright	Tracking Radar Management System V1.0	2023SR0106679	2022-05-18	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Cloud Object Management System V1.0	2023R11L1983532	2023-02-28	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Cloud Approval Management System V1.0	2023R11L1983619	2023-04-28	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Cloud Developer Platform V1.0	2023R11L1983963	2023-09-04	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Cloud Integration Engine System V1.0	2023R11L1983662	2023-05-29	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Cloud Page Code System V1.0	2023R11L1983775	2023-07-09	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Cloud Platform Logging System V1.0	2023R11L1983916	2023-08-15	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Cloud Application Development Management System V1.0	2023R11L1983817	2023-07-31	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Cloud Platform Task Management System V1.0	2023R11L1984005	2023-09-17	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Cloud Intelligent Data Analysis and Management System V1.0	2024SR0155465	2023-04-03	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Cloud Intelligent Visual Report Manager System V1.0	2024SR0151571	2023-06-25	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Cloud User Information Management System V1.0	2024SR0159502	2023-08-01	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Cloud Data Rights Management Software V1.0	2024SR0917666	2023-02-24	December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Digital Store Operation System V1.0	2024SR1744114		December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Intelligent Logistics Tracking System V1.0	2024SR1744337		December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Intelligent Recommendation Engine System V1.0	2024SR2088720		December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Intelligent Inventory Alert System V1.0	2024SR1697261		December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Omni-Channel CRM Management System V1.0	2024SR1694534		December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Supply Chain Collaboration Platform V1.0	2024SR1706962		December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Intelligent Customer Service Robot System V1.0	2024SR1713151		December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Big Data Analytics & Insights Platform V1.0	2024SR2125139		December 31 of the 50th Year after the First Publication
Software Copyright	Youxin AI Product Recognition System V1.0	2024SR2125169		December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Supply Chain Financial Management System V1.0	2025SR0151971		December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Auto-Programming Robot System V1.0	2025SR2047459		December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Auto-Programming Robot System V1.0	2025SR2047459		December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Attendance Clock-in Analysis System	2025SR2014077		December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Business Data Cold Backup Platform	2025SR1989667		December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Multilingual Implementation Platform	2025SR1989732		December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Distributed Store Intelligent Allocation System	2025SR1989734		December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Visual Editing & Printing System	2025SR2029601		December 31 of the 50th Year after the First Publication
Software Copyright	Youxin Metadata Import & Export System	2025SR2034757		December 31 of the 50th Year after the First Publication



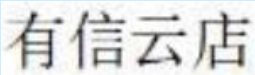

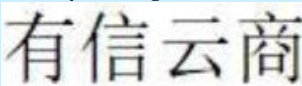


Software Copyright owned by Guangxi Yousen Network Technology Co., Ltd.:

Literary Work copyright owned by Guangzhou Youxin:

Type	Full Name of Work	Registration Number	Completion date	Status	Valid Period
Literary Work	Youxin Cloud	National Work List-2022-F-10163958	2021-01-29	Unpublished	December 31 of the 50th Year after the First Publication
Literary Work	Youxin Technology Enterprise Logo	National Work List-2022-F-10163959	2021-01-29	Unpublished	December 31 of the 50th Year after the First Publication

**Trademark Information**

Trademarks owned by Guangzhou Youxin:

Registration Number	List of Goods / Services	Trademark	Status	Valid Period
52279866	Class 35: Retail or wholesale services of medical supplies	<b>Youxinyundian</b> 	Registered	2021-10-21 through 2031-10-20
52281671	Category 9: face recognition equipment; mobile phone pattern inspection; office punching machine; painting machine; blueprint equipment	<b>Tankebao</b> 	Registered	2021-10-21 through 2031-10-20
52284041	Class 35: Retail or wholesale services of medical supplies	<b>Youxinyunshang</b> 	Registered	2021-10-21 through 2031-10-20
52290823	Class 9: Data processing equipment; computers; computer software (recorded); downloadable computer application software; computer hardware; recorded or downloadable computer software platforms; downloadable mobile phone application software; connectors (data processing devices); personal digital assistants (PDAs); facial recognition devices	<b>Huiguantong</b> 	Registered	2021-08-14 through 2031-08-13
52297031	Class 35: Advertising; market analysis; advertising; marketing; personnel management consulting; management services for the relocation of commercial enterprises; systematization of computer database information; accounting; seeking sponsorship; retail or wholesale services for medical supplies	<b>Huiguantong</b> 	Registered	2021-08-14 through 2031-08-13

<b>Registration Number</b>	<b>List of Goods / Services</b>	<b>Trademark</b>	<b>Status</b>	<b>Valid Period</b>
52299260	Class 42: Technical research	<b>Huiguantong</b> 有信云播	Registered	2021-10-07 through 2031-10-06
52299861	Class 35: Retail or wholesale services of medical supplies	<b>Youxinyunbo</b> 有信云播	Registered	2021-10-21 through 2031-10-20
40645375	Class 35: Retail or wholesale services of medical supplies	<b>Youxinyun</b> 有信云	Registered	2020-06-14 through 2030-06-13
40623355	Category 9: Face recognition equipment	<b>Youxinyunfu</b> 有信云服	Registered	2020-06-14 through 2030-06-13
40623355	Category 9: Face recognition equipment	<b>Youxinyunfu</b> 有信云服	Registered	2020-06-14 through 2030-06-13
40638648	Class 35: Retail or wholesale services of medical supplies	<b>有信云服</b>	Registered	2020-06-14 through 2030-06-13
61707357	Class 9: Slide projection equipment; optical film for adjusting the clarity of the image attached to the display of electronic products; face recognition equipment Equipment; automatic sprinklers for fire fighting; industrial radiation equipment (cut-off)	<b>Youxinkeji</b> 有信科技	Registered	2022-09-14 Through 2032-09-13
61739964	Class 42: Seismic analysis services; provision of scientific information on climate change; handwriting analysis (handwriting science); mapping services; naming Services (cut-off)	<b>Youxinkeji</b> 有信科技	Registered	2022-09-14 Through 2032-09-13
61728248	Class 35: Retail or wholesale services of medical supplies	<b>有信科技</b>	Registered	2022-10-28 Through 2032-10-27

## Domain Name Information

Guangzhou Youxin has 7 effective domain names:

Domain Name	Registration Date	Expiration date	Domain Owner	Website record / license number
youxin.plus	2020-03-01	2026-03-01	Guangzhou Youxin	Yue ICP 18029216-6
youxinpaas.com	2019-06-26	2026-06-26	Guangzhou Youxin	Yue ICP-18029216-10
youxin.cloud	2019-07-25	2027-07-25	Guangzhou Youxin	Yue ICP-18029216-5
rongxintech.cn	2018-02-11	2026-02-11	Guangzhou Youxin	Yue ICP-18029216-2
youxincloud.com	2019-08-05	2027-08-05	Guangzhou Youxin	Yue ICP-18029216-4
rongxin.tech	2018-01-12	2027-01-13	Guangzhou Youxin	Yue ICP-20002118-1
youxinpaas.cn	2019-06-26	2026-06-26	Guangzhou Youxin	Yue ICP-18029216-9

## Data Privacy and Protection

When providing our solutions, we may have access to certain data of our customers and of end users of our customers. We have designed strict data protection policies to ensure that the collection, use, storage, transmission and dissemination of such data comply with applicable laws and with prevalent industry practice.

When we are providing our solutions, we may have access to certain data of our customers and end users of our customers. We have designed strict data protection policies to ensure that the collection, use, storage, transmission and dissemination of such data comply with applicable laws and with prevalent industry practice, and we regularly review these policies and their implementation. We have established an Information Security Committee that is responsible for ensuring our compliance with our internal policies and the applicable laws and regulations on data privacy and security. In addition, since it is our customers instead of us that directly collect and use the data of end users, we have required each of our customers to implement strict data protection policies with respect to its collection and use of such data.

We have established an all-round information system in compliance with all data security requirements. Our information system applies safeguards, including double-firewalls, antivirus walls and web application firewalls. We encrypt data to enhance data security. Our database can only be accessed through computers designated for authorized use. These computers cannot be connected to the internet, and no data can be exported to an external device. Only authorized staff can access these computers for designated purposes. We also have clear and strict authorization and authentication procedures and policies in place. Our employees have access to data that is directly relevant only and necessary for their job responsibilities, and they must verify authorization upon every access attempt. We have established a data backup system to encrypt and store data, and we conduct data restoration tests to examine the status of the backup system on a regular basis. We also have a comprehensive system in place to handle data security matters that may arise in the course of our operation in order to minimize the risk of data loss. We do not share any data in any form with any third parties without the permission of our customers. Besides, when a customer discontinues using our services, we will delete all data of that customer and its end users that is stored on our cloud.

We provide data privacy trainings to employees on a periodic basis to increase their compliance awareness. In addition, employees are required to sign a confidentiality agreement with us, which prohibits them from disclosing any confidential information relating to their work without our consent.

We have obtained certifications demonstrating that our information security systems conform to domestic and international standards, including ISO 27001 (with respect to information security management activities related to computer software development and maintenance) and the Certificate of Hierarchical Security Protection of the Information System issued by the public security authority pursuant to which our information security system was certified as Grade III under applicable PRC laws and regulations. As of this report, we have received no claim from any third party against us on the ground of infringement of such party's right to data protection as provided by the PRC General Principles of Civil Law or any laws and regulations in other jurisdictions, and we have experienced no material data loss or breach incidents.

## Competition

In China, our competitors for our PaaS platforms include Yongyou (“用友”) and Xuanwu Cloud (“玄武云”). With respect to our SaaS products, our competitors include Force.com, ClickPaas, Mingdao Cloud, Youzan, etc. Compared to other industry competitors, we believe our products offer the following distinct advantages:

- ability to support comprehensive communication between employees, partners, customers;
- low code integration of external services, authentication, interface configuration and data mapping nodes, complex application integration, and tool panel integration;
- platform performance, interoperability, scalability, and reliability;
- pre-configured “complex” domain-level standard objects, such as products, orders, stores, etc.;

- ability to build a supply retail chain ecosystem, including workflow, business flow, e-commerce flow (orders/merchandise, etc.);
- fully supports internal and external applications, especially external digital applications, including distribution cloud, store cloud, e-commerce cloud, and customer cloud, etc.
- highly customizable front-end interface with dozens of pre-built components, and a container box to create an interface like photoshop;
- full support for APP, Official Account, Mini Program, enterprise WeChat and other mobile terminals; and
- support for secondary development, with its own DSL language and custom code.

See the section titled “Risk Factors” for a more comprehensive description of risks related to competition.

### Our Company’s Employees

Guangzhou Youxin had 57 and 32 full-time employees as of September 30, 2023 and 2024, respectively. As of September 30, 2025, Guangzhou Youxin employed a total of 22 full-time employees. All of our employees were located in Mainland China.

<b>Department</b>	<b>September 30, 2025</b>	<b>September 30, 2024</b>	<b>September 30, 2023</b>
General Manager Office	2	3	4
Sales and Marketing	3	7	14
Human Resources & Administration	1	1	2
Accounting	1	1	2
R&D Department	15	20	35
Total	22	32	57

All of Guangzhou Youxin’s employees are employed in Mainland China. Guangzhou Youxin’s employees are not represented by a labor organization or covered by a collective bargaining agreement. Guangzhou Youxin has not experienced any work stoppages.

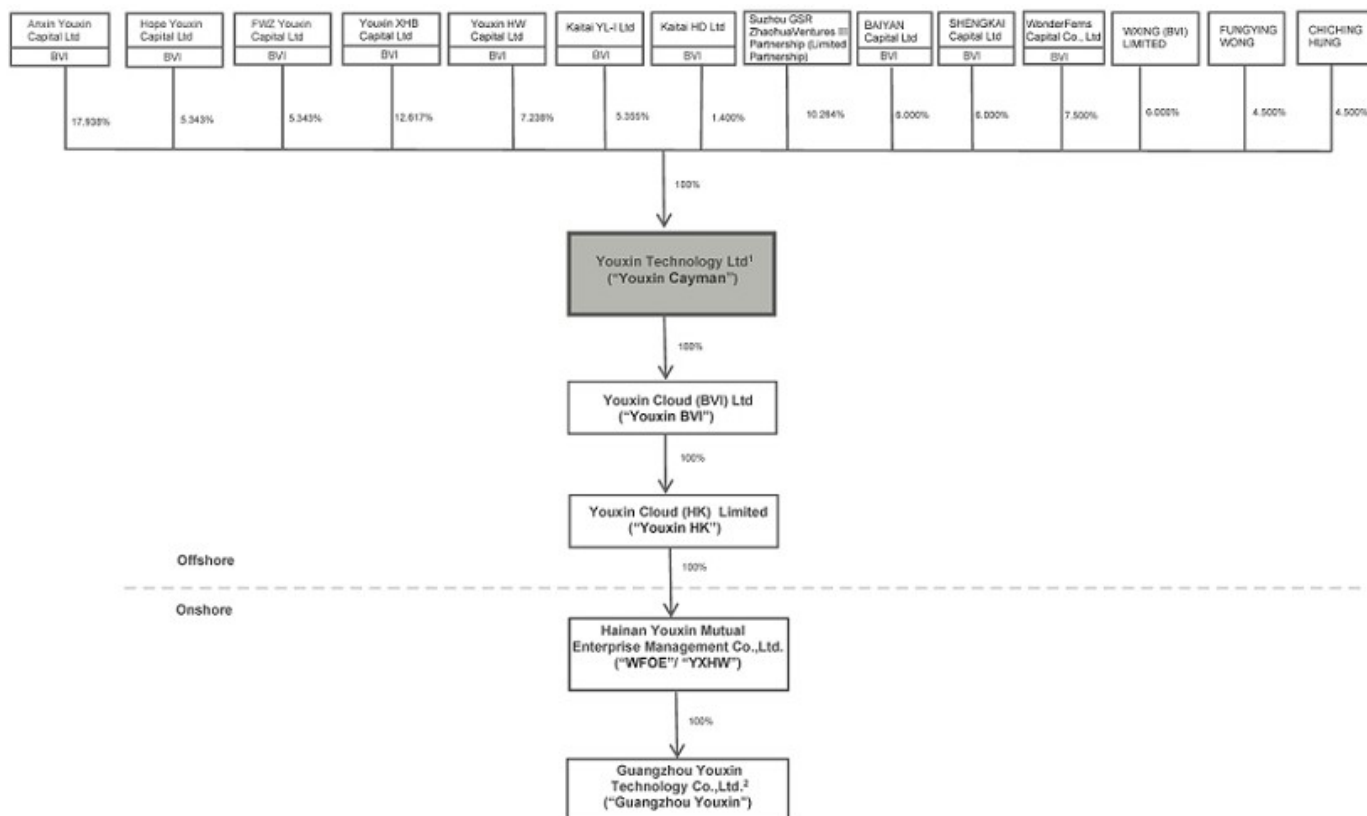
Guangzhou Youxin is required under PRC law to make contributions to employee benefit plans at specified percentages of our after-tax profit. In addition, we are required by PRC law to cover employees in China with various types of social insurance and housing funds. We contributed an aggregate of approximately \$227,152, \$282,467 and \$479,262 to the employee benefit plans, social insurance and housing funds for the years ended September 30, 2025, 2024 and 2023, respectively. Although the effect on our liquidity by the payments for these contributions is immaterial, Guangzhou Youxin believes that it is in material compliance with the relevant PRC employment law.

## Legal Proceedings

From time to time, we have been involved in litigation relating to contract disputes and other matters in the ordinary course of our business. See “Item 5. Operating and Financial Review and Prospects - B. Liquidity and Capital Resources - Contractual Obligations – Contingencies.” We are not currently a party to any material legal or administrative proceedings.

## C. Organizational Structure

Each holder of Class A Shares of our company is entitled to 1 vote per share, and each holder of Class B Shares of our company is entitled to 20 votes per share. Each Class B Share is convertible into one Class A Share under certain circumstances. Our current corporate structure is as follows:



Note: 1. Youxin Technology Ltd is our offshore holding company to facilitate financing and offshore listing.  
2. Guangzhou Youxin Technology Co., Ltd. is our operation entity incorporated in China.

## D. Property, Plant and Equipment

There is no private land ownership in China. Individuals and entities are permitted to acquire land use rights for specific purposes. The land use rights to the property on which our facilities are situated are held by third parties from which we lease such property.

As of the date of this report, Guangzhou Youxin leases one office space from Guangzhou Yuntai Property Leasing Management Co., Ltd., located at Room 1005, 1006, 1007, No. 122 Huangpu Avenue West, Tianhe District, Guangzhou. The total leased area spans 162.22 square meters. The lease commenced on May 10, 2024, and the expiration date is May 9, 2027. The property is leased without any pledge/mortgage as of the date of this report.

As of the date of this report, Celnet leases three office spaces in Guangzhou, Shanghai and Beijing respectively. Guangzhou office is located at Room D203, No. 32, Shangchong Nanyue, Haizhu District, Guangzhou. The total leased area spans 371.53 square meters. The lease commenced on December 1, 2025, and the expiration date is November 30, 2027. Shanghai office is located at Room 1140, 11F, Tower B, Central Towers, No.567, Lan Gao Road, Putuo District, Shanghai. The lease commenced on May 1, 2025, and the expiration date is April 30, 2026. Beijing office is located at Room 1502, 15F, Building 4, Courtyard 60, Xinhua West Street, Tongzhou District, Beijing. The total leased area spans 48.87 square meters. The lease commenced on August 16, 2024, and the expiration date is August 15, 2026. The property is leased without any pledge/mortgage as of the date of this report.

We consider that our current office space is sufficient to meet our anticipated needs for the foreseeable future and is suitable for the conduct of our business.

#### ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

#### ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our financial statements and the related notes included elsewhere in this annual report. The discussion below contains forward-looking statements that are based upon our current expectations and are subject to uncertainty and changes in circumstances. Actual results may differ materially from these expectations due to inaccurate assumptions and known or unknown risks and uncertainties, including those identified in “Cautionary Note Regarding Forward-Looking Statements” and under “Risk Factors” elsewhere in the annual report.*

##### Overview

We are a SaaS and PaaS provider committed to helping retail enterprises digitally transform their businesses using our cloud-based SaaS product and PaaS platform to develop, use, and control business applications without the need to purchase complex IT infrastructure. Our PaaS platform and SaaS product enhance transaction-related activities in the retail sector, such as recording distributions, tracking store-related transactions, and e-commerce clouds and giving our retail clients a comprehensive view of their business operations in real-time on multiple interfaces, allowing them to make critical business decisions anytime and anywhere.

We believe our Company is uniquely positioned to meet the need of mid-tier brands in Mainland China. In particular, we specialize in supporting mid-tier brands that heavily rely on offline direct distribution with high volume IT update requirements. We provide a customized, comprehensive, fast-deployment omnichannel digital solutions that unify all aspects of commerce with store innovations, distributed inventory management, cross-channel data integration, and a rich set of ecommerce capabilities that encompass mobile applications, social media, and web-based applications.

Since our inception in 2018, we have achieved significant product and customer milestones. Within two years, we launched the interface engine, settlement engine, integration engine, and our own PaaS platform, Youxin Cloud, and started collaborating with large brands. We continued to develop Youxin Cloud. All of our professional service customers have also been payment channel customers. Typically, our customers first execute our one-year contracts for professional services. Under the professional services contract, we would develop the customized CRM system for the customer’s use.

Our revenue increased by 3%, from \$521,241 for the year ended September 30, 2024, to \$539,474 for the year ended September 30, 2025. With our ongoing efforts on the initial implementation of the new third-generation PaaS platform and our ongoing efforts to increase distributors and new customers to use our third-generation PaaS platform, we continue to anticipate revenue growth as new distributors and customers purchase licenses and professional services for the third-generation PaaS platform. However, as of September 30, 2024, the company focused on implementing the third-generation PaaS platform into trial for potential customers and distributors. Through the trials, company can collect feedback and continue to optimize the platform. After the IPO, the company's R&D team integrated AI models, successfully enabling the generation of complex customized code on the PaaS platform via natural language, which has significantly enhanced product delivery capabilities. Based on this, the company have attracted clients from various industries, including cosmetics and cruise lines, assisting them in rapidly building customized CRM systems.

Because of our company's shift to developing and marketing its third-generation PaaS platform during the lockdown period beginning November 2022, fewer personnel were required to implement its third-generation PaaS platform because PaaS products generally have embedded more functionalities compared to the more hands-on personnel efforts for customized CRM development services. Accordingly, the number of employees decreased over a one-year period from 32 for the fiscal year ended September 30, 2024 to 22 for fiscal year ended September 30, 2025.

In addition, for the third-generation PaaS platform, the company has sought to increase partnerships with distributors. Under the distribution agreements, the company grants a license for its third-generation PaaS platform to the distributors who then handle customer acquisition, sales, implementation, and delivery. Thus, the company anticipates gradual growth without substantially increasing costs or employee headcount. Because of the business model for PaaS systems with less personnel requirement for the third-generation PaaS platform, the company does not intend to increase the employee headcount to meet increasing customer demand and the company believes its current headcount is sufficient to meet such demand for the near term.

#### *PaaS Platform*

Our PaaS cloud platform is architected specifically to enable mid-tier brands to operate their businesses in a flexible and distributed manner. Compared to traditional software enterprise service providers, our underlying software infrastructure is relatively distinct, and we maximize the total code efficiency for our clients by conducting private deployments on multiple clouds. We believe that Youxin Cloud is one of the few domestic cloud services in Mainland China that can build millions of complex external digital applications, especially transaction-related distribution, store, and e-commerce clouds. With our simple and lightweight build applications, retail chain participants, such as distributors, stores, resellers can view data in real time on one screen. The general customized applications developed by our PaaS platform can be delivered to the clients in approximately two months based on the client's operation and specific needs.

We generate revenue from development and service fees. Services revenue is dependent upon the customer's continued usage of the PaaS platform. The PaaS services include process design, project management, system deployment and implementation, and launch to trial operation and acceptance. We charge an annual service fee as long as the customer continues using the system and is based on the number of user accounts over the subscription period.

#### *SaaS Product*

On February 2023, we launched Yunzhuidan SaaS product for our mid-tier brands in the Chinese retail industry to provide a more standardized SaaS product compared to our customized PaaS services. Our SaaS product is delivered ready-to-use, allowing clients to concentrate on building applications without having to worry about other components like operation systems, storage, and infrastructure. Yunzhuidan allows brands to interact with its stores across multiple digital channels, bouncing between mobile, web and social interfaces before completing a purchase. By the end of the fiscal year ended September 30, 2024, we have largely pulled back from offering trials or investing capital for large-scale sales of Yunzhuidan.

We currently sell our SaaS product at a fixed retail price. We also derive ongoing revenue from our SaaS product, including providing database maintenance, system accessing, function updates, and other subsequent support to SaaS product users. Revenue from subscription services slightly decreased by \$40,868 or 18% from \$232,556 for the year ended September 30, 2024, to \$191,688 for the year ended September 30, 2025.

For fiscal year 2024, we continued to optimize the functionality of our PaaS platform, achieving significant improvements in functionality and user experience. We added a "filter" feature to our Object Engine, which greatly enhanced its flexibility and data processing capabilities, while also optimizing the underlying SQL logic. On the other hand, we continuously refined the platform's business processes and various practical functions, such as optimizing the user interface, adding print and recycle bin features. In 2025, our R&D department introduced AI models to generate complex customized code through natural language. We have implemented conversational interaction in user scenarios, which allows our customers directly interface with the software in plain language (typed or spoken), and receive immediate and relevant responses or actions. On the business side, the marketing team and partners continued to promote in various retail sectors and attempt to introduce the PaaS platform into the international market to meet the needs of overseas-bound company in 2026.

For more information, see "Business—Our Products and Services."

## **Factors Affecting Our Performance**

### *Market Adoption of PaaS Platform*

The market acceptance and adoption of PaaS technology is a critical factor that can significantly impact our company's performance. We are closely monitoring market trends and adjusting our strategy to respond to changing customer needs. We regularly conduct market research and solicit feedback from existing customers to ensure that our platform remains relevant and competitive in the market. As PaaS technology becomes more widely adopted within our target market, it becomes easier for us to establish ourselves as a leading provider in the space. This can lead to increased brand recognition, stronger customer relationships, and better pricing power over time.

Between November 13, 2022 and November 30, 2022, Guangzhou city, where the company is headquartered, was locked down due to a COVID-19 outbreak in another part of China. During this period, the company shifted its operations to remote work. During the lockdown period, the company implemented its third-generation PaaS platform. For the third-generation PaaS platform, the company has sought to increase partnerships with distributors. Under the distribution agreements, the company grants a license for its third-generation PaaS platform to the distributors who then handle customer acquisition, sales, implementation, and delivery. Thus, the company anticipates gradual growth without substantially increasing costs or employee headcount. Because of the business model for PaaS systems with less personnel requirement for the third-generation PaaS platform, the company does not intend to increase the employee headcount to meet increasing customer demand and the company believes its current headcount is sufficient to meet such demand for the near term.

### *New Customer Acquisition*

Our operating results and growth prospects will depend in part on our ability to attract new customers. We are intensely focused on growing our customer base. We continue to invest in our sales and marketing efforts and developer community outreach, actively participate in industry summits to gain more partnership opportunities which are critical to driving customer acquisition. We have built a retail partner network through our effective marketing efforts and continue to launch new functions and products to satisfy our customers' needs, which continuously raises awareness of our PaaS and SaaS offerings, and generating word-of-mouth referrals that not only attract more brands, developers and partners, but also lead to growing end user demand, better user insights and a more vibrant service ecosystem.

We use the following measures to quantify new customer acquisitions: (1) leveraging our cloud-tracking solutions to guide customers to explore our other products; (2) providing stable, high performance and highly personalized customization development with our PaaS platform; and (3) collecting sales lead and channel sales leads and referring them to our pre-sales solutions department. Such leads may come from referrals from existing and prior customers or from engagement with industry summits.

### *Investment for Growth*

We are committed to delivering industry-leading products to maintain and build credibility in the global PaaS and SaaS communities. We believe that the comprehensiveness of our product offerings and our continued efforts to introduce new features and capabilities on our platform provides us with a significant competitive advantage.

We plan to improve our platform by expanding the functionality of current products, developing new products, and exploring different verticals and use cases to support the growth of our business. Additionally, we will invest heavily in our engineering capabilities and marketing capabilities to maintain our strong position in the developer community.

*Effect of Currency Translation*

The majority of our revenues are currently derived from our SaaS product, which comes primarily from our contracts with the retail sector located in the PRC. These revenues are predominantly denominated in RMB. Our reporting and functional currency is the U.S. dollar. The financial statements of our subsidiaries and consolidated affiliated entities using functional currencies other than the U.S. dollar, such as RMB, are translated to the U.S. dollar. As a result, as RMB depreciates or appreciates against the U.S. dollar, our revenue presented in U.S. dollars will be negatively or positively affected. See “Quantitative and Qualitative Disclosure about Market Risk—Foreign exchange risk.”

**Taxation**

*Cayman Islands*

We are incorporated in the Cayman Islands. Under the current laws of the Cayman Islands, we are not subject to income, corporation, or capital gains tax in the Cayman Islands. In addition, our payment of dividends, if any, is not subject to withholding tax in the Cayman Islands.

*British Virgin Islands*

Youxin BVI is incorporated in the British Virgin Islands and is not subject to tax on income or capital gains under current British Virgin Islands law. In addition, upon payments of dividends by these entities to their shareholders, no British Virgin Islands withholding tax will be imposed.

*Hong Kong*

Our subsidiaries in Hong Kong, including Youxin Cloud (HK) Limited, our wholly owned subsidiary, are subject to Hong Kong profits tax on their activities conducted in Hong Kong at a uniform tax rate of 16.5%. Under Hong Kong tax law, our subsidiaries in Hong Kong are exempted from income tax on their qualified foreign-derived income and there is no withholding tax in Hong Kong on remittance of dividends. No provision for Hong Kong profits tax was made as we had no estimated taxable income that was subject to Hong Kong profits tax since inception.

*PRC*

Our subsidiaries in China are companies incorporated under PRC law and, as such, are subject to PRC enterprise income tax on their taxable income in accordance with the relevant PRC income tax laws. Pursuant to the PRC Enterprise Income Tax Law, or PRC EIT Law, which became effective on January 1, 2008, and was last amended on December 29, 2018, a uniform 25% enterprise income tax rate is generally applicable to both foreign-invested enterprises and domestic enterprises, except where a special preferential rate applies.

We are subject to VAT on the products sold and services provided. We are also subject to surcharges on VAT payments in accordance with PRC law.

As a Cayman Islands holding company, we may receive dividends from our PRC subsidiaries through Youxin Cloud (HK) Limited. The PRC EIT Law and its implementing rules provide that dividends paid by a PRC entity to a nonresident enterprise for income tax purposes are subject to PRC withholding tax at a rate of 10%, and may be subject to reduction by an applicable tax treaty with China.

Pursuant to the Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Tax Evasion on Income, the withholding tax rate in respect of the payment of dividends by a PRC enterprise to a Hong Kong enterprise may be reduced to 5% from a standard rate of 10% if the Hong Kong enterprise (i) directly holds at least 25% of the PRC enterprise, (ii) is a tax resident in Hong Kong and (iii) could be recognized as a Beneficial Owner of the dividend from PRC tax perspective. Pursuant to the Notice of the State Administration of Taxation on the Issues concerning the Application of the Dividend Clauses of Tax Agreements issued on February 20, 2009 by the SAT, or Guoshuihan [2009] 81, a Hong Kong resident enterprise must meet the following conditions, among others, in order to apply the reduced withholding tax rate: (i) it must be a company; (ii) it must directly own the required percentage of equity interests and voting rights in the PRC resident enterprise; and (iii) it must have directly owned such required percentage in the PRC resident enterprise throughout the 12 months prior to receiving the dividends.

Based on the Announcement of the State Administration of Taxation on Issues Concerning “Beneficial Owners” in Tax Treaties, which was promulgated on February 3, 2018 and came into effect on April 1, 2018, if the business activities conducted by the nonresident enterprise do not constitute substantive business activities, the nonresident enterprise may not be considered as a “beneficiary owner”, and thus may not enjoy the reduced tax rate under applicable tax treaties.

In October 2019, the State Administration of Taxation issued Announcement of the State Taxation Administration on Issuing the Measures for Non-resident Taxpayers’ Enjoyment of Treaty Benefits, or SAT Circular 35, which became effective on January 1, 2020. SAT Circular 35 provides that nonresident enterprises are not required to obtain pre-approval from the relevant tax authority in order to enjoy the reduced withholding tax. Instead, nonresident enterprises and their withholding agents may, by self-assessment and on confirmation that the prescribed criteria to enjoy the tax treaty benefits are met, directly apply the reduced withholding tax rate, and file necessary forms and supporting documents when performing tax filings, which will be subject to post-tax filing examinations by the relevant tax authorities. Accordingly, Youxin Cloud (HK) Limited may be able to benefit from the 5% withholding tax rate for the dividends it receives from its PRC subsidiaries, if it satisfies the conditions prescribed under Guoshuihan [2009] 81 and other relevant tax rules and regulations. However, according to Guoshuihan [2009] 81 and SAT Circular 35, if the relevant tax authorities consider the primary purpose of our transactions or arrangements to be achieving favorable tax treatment, the relevant tax authorities may adjust the favorable withholding tax in the future.

If our holding company in the Cayman Islands or any of our subsidiaries outside of China were deemed to be a “resident enterprise” under the PRC EIT Law, it would be subject to enterprise income tax on its worldwide income at a rate of 25%. See “Risk Factors—Risks Related to Doing Business in China—If we are classified as a PRC resident enterprise for PRC enterprise income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders.”

## A. Operating Results

The following table summarizes the results of our operations for the years ended September 30, 2025, 2024 and 2023, respectively, and provides information regarding the dollar and percentage of the revenue during such periods.

	For the years ended September 30,					
	2025		2024		2023	
	Amount	% of Revenues	Amount	% of Revenues	Amount	% of Revenues
<b>REVENUES</b>	\$ 539,474	100%	\$ 521,241	100%	\$ 895,978	100%
<b>COST OF REVENUES</b>	(359,509)	(67)%	(179,648)	(34)%	(352,676)	(39)%
<b>GROSS PROFIT</b>	179,965	33%	341,593	66%	543,302	61%
<b>OPERATING EXPENSES</b>						
Selling expenses	(130,792)	(24)%	(94,481)	(18)%	(225,926)	(25)%
General and administrative expenses	(2,746,298)	(509)%	(496,006)	(95)%	(589,372)	(66)%
Research and development expenses	(158,190)	(29)%	(1,139,922)	(219)%	(2,152,602)	(240)%
<b>Total operating expenses</b>	<b>(3,035,280)</b>	<b>(563)%</b>	<b>(1,730,409)</b>	<b>(332)%</b>	<b>(2,967,900)</b>	<b>(331)%</b>
<b>NET LOSS FROM OPERATIONS</b>	<b>(2,855,315)</b>	<b>(529)%</b>	<b>(1,388,816)</b>	<b>(266)%</b>	<b>(2,424,598)</b>	<b>(270)%</b>
<b>OTHER (EXPENSE) INCOME, NET</b>						
Other income	539	-	134,802	26%	99,053	11%
Other expense	(24,271)	(4)%	(21,435)	(4)%	(17,693)	(2)%
Loss from investments	(2,736,514)	(507)%	-	-	-	-
Issuance costs allocated to warrant liabilities	(876,282)	(162)%	-	-	-	-
Loss on issuance of warrant liabilities	(5,802,241)	(1,076)%	-	-	-	-
Change in fair value of warrant liabilities	2,647,942	491%	-	-	-	-
<b>Total other (expense) income, net</b>	<b>(6,790,827)</b>	<b>(1,259)%</b>	<b>113,367</b>	<b>22%</b>	<b>81,360</b>	<b>9%</b>
<b>NET LOSS BEFORE TAXES</b>	<b>(9,646,142)</b>	<b>(1,788)%</b>	<b>(1,275,449)</b>	<b>(244)%</b>	<b>(2,343,238)</b>	<b>(261)%</b>
Income tax expense	-	-	(5,212)	(1)%	-	-
<b>NET LOSS</b>	<b>\$ (9,646,142)</b>	<b>(1,788)%</b>	<b>\$ (1,280,661)</b>	<b>(245)%</b>	<b>\$ (2,343,238)</b>	<b>(261)%</b>

*Comparison of Results of Operations for the Years Ended September 30, 2025 and 2024*

### Revenues

The following table presents revenues by service categories for the years ended September 30, 2025 and 2024, respectively:

Service Category	For the years ended September 30,				Variance	
	2025		2024		Amount	%
	Amount	% of revenues	Amount	% of revenues		
<b>Professional services</b>	<b>\$ 515,684</b>	<b>96%</b>	<b>\$ 275,314</b>	<b>53%</b>	<b>\$ 240,370</b>	<b>87%</b>
Customized CRM system development service	285,188	53%	-	-	285,188	100%
Additional function development service	38,808	7%	42,758	8%	(3,950)	(9)%
Subscription service	191,688	36%	232,556	45%	(40,868)	(18)%
<b>Payment channel services</b>	<b>21,590</b>	<b>4%</b>	<b>206,526</b>	<b>40%</b>	<b>(184,936)</b>	<b>(90)%</b>
<b>Others</b>	<b>2,200</b>	<b>-.%</b>	<b>39,401</b>	<b>7%</b>	<b>(37,201)</b>	<b>(94)%</b>
<b>Total revenues</b>	<b>\$ 539,474</b>	<b>100%</b>	<b>\$ 521,241</b>	<b>100%</b>	<b>\$ 18,233</b>	<b>3%</b>

Our total revenues increased by \$18,233 or 3%, from \$521,241 for the year ended September 30, 2024, to \$539,474 for the year ended September 30, 2025, mainly because the Company restarted the customized CRM system development services. Revenue from professional services accounted for \$515,684 or 96% of total revenues for the year ended September 30, 2025, as compared to \$275,314 or 53% for year ended September 30, 2024.

The professional services include customized CRM system development services, additional function development services and subscription services. Revenue from customized CRM system development services increased by \$285,188 or 100% from nil for the year ended September 30, 2024, to \$285,188 for the year ended September 30, 2025. The increase was mainly due to the Company restarting the Customized CRM system development service. Revenue from the additional function development services decreased by \$3,950 or 9% from \$42,758 for the year ended September 30, 2024, to \$38,808 for the year ended September 30, 2025. The decrease was mainly due to the less new needs of the function development from the existing clients for the year ended September 30, 2025. Revenue from subscription services decreased by \$40,868 or 18% from \$232,556 for the year ended September 30, 2024, to \$191,688 for the year ended September 30, 2025. The decrease was mainly due to the decreasing customized CRM system development services from 2023 to 2024, which led to the Company to provide less subscription service in the following periods.

### Cost of revenues

The following table presents cost of revenue by service categories for the years ended September 30, 2025 and 2024, respectively:

Service Category	For the years ended September 30,				Variance	
	2025		2024		Amount	%
	Amount	% of cost	Amount	% of cost		
<b>Professional fee</b>	<b>\$ 356,807</b>	<b>99%</b>	<b>\$ 158,880</b>	<b>88%</b>	<b>\$ 197,927</b>	<b>125%</b>
Customized CRM system development service	185,635	52%	-	-	185,635	100%
Additional function development service	27,242	7%	22,259	12%	4,983	22%
Subscription service	143,930	40%	136,621	76%	7,309	5%
<b>Others</b>	<b>2,702</b>	<b>1%</b>	<b>20,768</b>	<b>12%</b>	<b>(18,066)</b>	<b>(87)%</b>
<b>Total cost</b>	<b>\$ 359,509</b>	<b>100%</b>	<b>\$ 179,648</b>	<b>100%</b>	<b>\$ 179,861</b>	<b>100%</b>

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Our service costs primarily include (1) labor costs (including salaries, social insurance and benefits) for employees involved with our operations and product support, (2) third-party service fees including cloud computing and data usage, (3) lease expense and (4) related costs of outsourcing contractor conducting system implementation and support services to customers. Cost of revenues for the year ended September 30, 2025, was \$359,509, a decrease of \$179,861, or 100%, from \$179,648 for the year ended September 30, 2024.

The following table shows information by different categories of services we provided for the year ended September 30, 2025 in USD:

<b>Service category</b>	<b>Professional fee</b>	<b>Payment channel fee</b>	<b>Others</b>	<b>Total</b>
Revenue	515,684	21,590	2,200	539,474
Cost of revenue	356,807	-	2,702	359,509
Gross profit	158,877	21,590	(502)	179,965
Gross margin	31%	100%	(23)%	33%

The following table shows information by different categories of services we provided for the year ended September 30, 2024 in USD:

<b>Service category</b>	<b>Professional fee</b>	<b>Payment channel fee</b>	<b>Others</b>	<b>Total</b>
Revenue	275,314	206,526	39,401	521,241
Cost of revenue	158,880	-	20,768	179,648
Gross profit	116,434	206,526	18,633	341,593
Gross margin	42%	100%	47%	66%

As a result of the foregoing, we had gross profits of \$179,965 and \$341,693 with gross margins of 33% and 66% for the years ended September 30, 2025 and 2024, respectively. The overall gross profit as margin decreased by 33%. The gross margin has been and will continue to be affected by a number of factors, including the timing and extent of our investments in our operation, our ability to manage server costs, the ability to manage the usage of third-party software and the extent to which we periodically choose to pass on the cost savings from lower pricing and higher utilization to our customers in the form of lower prices as well as our efforts to drive greater usage of our products through attractive pricing and improve the serviceability of our PaaS platform by developing more customers.

*Selling expenses*

Our selling expenses increased by \$36,311 or 38% from \$94,481 for the year ended September 30, 2024 to \$130,792 for the year ended September 30, 2025. The increase was mainly due to the increase in advertising and promotion expenses.

The increase of advertising and promotion expenses by \$25,661 or 3,270% was primarily due to an increase in putting effort to the business promotion to expand customer base for the year ended September 30, 2025, compared to the year ended September 30, 2024.

*General and administrative expenses*

Our general and administrative expenses increased by \$2,250,292 or 454%, from \$496,006 for the year ended September 30, 2024 to \$2,746,298 for the year ended September 30, 2025.

The increase for the year ended September 30, 2025 was primarily due to the professional fees incurred during the IPO and the follow-up offering that were not directly attributable of the offerings were expensed as incurred.

*Research and development expenses*

Research and development costs for the year ended September 30, 2025 of \$158,190 decreased by \$981,732 or 86% compared to \$1,139,922 for the year ended September 30, 2024. The decrease was primarily attributed to the decrease in labor related costs including salary and welfare by \$903,189 or 94% for the year ended September 30, 2025 compared to the year ended September 30, 2024.

*Other income*

Other income primarily arises from the interest income of bank deposits and government grants. Other income decreased by \$134,263, or 100%, to \$539 for the year ended September 30, 2025, from \$134,802 for the year ended September 30, 2024.

*Other expense*

Other expense primarily arises from the interest expense of bank loans. Other expense decreased by \$2,836, or 13%, to \$24,271 for the year ended September 30, 2025, from \$21,435 for the year ended September 30, 2024.

*Loss from Investments*

Loss from investment primarily arises from the loss from short-term investments in wealth management product with underlying in equity stocks listed in global capital markets and other equity and monetary market products. For the years ended September 30, 2025 and 2024, the loss from investment was \$2,736,514 and nil, respectively.

*Issuance costs allocated to warrant liabilities*

The increase in issuance costs allocated to warrant liabilities was due to the Company's related financing transactions during the current fiscal year. For the years ended September 30, 2025 and 2024, the issuance costs allocated to warrant liabilities was \$ 876,282 and nil, respectively.

*Loss on issuance of warrant liabilities*

The loss on issuance of warrant liabilities was due to the Company issued shares with warrants in the current fiscal year, and the fair value of the warrant liabilities is higher than the investment amount received. For the years ended September 30, 2025 and 2024, the loss on issuance of warrant liabilities were \$5,802,241 and nil, respectively.

*Change in fair value of warrant liabilities*

The change in fair value of warrant liabilities was due to fluctuations in the fair value of warrants issued by the Company. For the years ended September 30, 2025 and 2024, the fair value changes of these warrants were a gain of \$2,647,942 and nil, respectively.

*Net loss*

As a result of the foregoing, we reported a net loss of \$9,646,142 for the year ended September 30, 2025, compared to a net loss of \$1,280,661 for the year ended September 30, 2024.

*Comparison of Results of Operations for the Years Ended September 30, 2024 and 2023*

### Revenues

The following table presents revenues by service categories for the years ended September 30, 2024 and 2023, respectively:

Service Category	For the years ended September 30,				Variance	
	2024		2023		Amount	%
	Amount	% of revenues	Amount	% of revenues		
<b>Professional services</b>	<b>\$ 275,314</b>	<b>53%</b>	<b>\$ 548,822</b>	<b>61%</b>	<b>\$ (273,508)</b>	<b>(50)%</b>
Customized CRM system development service	-	-	134,768	15%	(134,768)	(100)%
Additional function development service	42,758	8%	155,904	17%	(113,146)	(73)%
Subscription service	232,556	45%	258,150	29%	(25,594)	(10)%
<b>Payment channel services</b>	<b>206,526</b>	<b>40%</b>	<b>291,643</b>	<b>33%</b>	<b>(85,117)</b>	<b>(29)%</b>
<b>Others</b>	<b>39,401</b>	<b>7%</b>	<b>55,513</b>	<b>6%</b>	<b>(16,112)</b>	<b>(29)%</b>
<b>Total revenues</b>	<b>\$ 521,241</b>	<b>100%</b>	<b>\$ 895,978</b>	<b>100%</b>	<b>\$ (374,737)</b>	<b>(42)%</b>

Our total revenues decreased by \$374,737 or 42%, from \$895,978 for the year ended September 30, 2023, to \$521,241 for the year ended September 30, 2024, mainly because the Company gradually reduced operating the customized CRM system development services. Revenue from professional services accounted for \$275,314 or 53% of total revenues for the year ended September 30, 2024, as compared to \$548,822 or 61% for year ended September 30, 2023.

The professional services include customized CRM system development services, additional function development services and subscription services. Revenue from customized CRM system development services decreased by \$134,768 or 100% from \$134,768 for the year ended September 30, 2023, to nil for the year ended September 30, 2024. The decrease was mainly due to the Company gradually reducing operating Customized CRM system development service. Revenue from the additional function development services decreased by \$113,146 or 73% from \$155,904 for the year ended September 30, 2023, to \$42,758 for the year ended September 30, 2024. The decrease was mainly due to the less new needs of the function development from the existing clients for the year ended September 30, 2024. Revenue from subscription services decreased by \$25,594 or 10% from \$258,150 for the year ended September 30, 2023, to \$232,556 for the year ended September 30, 2024. The decrease was mainly due to the decreasing customized CRM system development services from 2023, which led to the Company to provide less subscription service in the following periods.

### Cost of revenues

The following table presents cost of revenue by service categories for the years ended September 30, 2024 and 2023, respectively:

Service Category	For the years ended September 30,				Variance	
	2024		2023		Amount	%
	Amount	% of cost	Amount	% of cost		
<b>Professional fee</b>	<b>\$ 158,880</b>	<b>88%</b>	<b>\$ 318,439</b>	<b>90%</b>	<b>\$ (159,559)</b>	<b>(50)%</b>
Customized CRM system development service	-	-	103,850	29%	(103,850)	(100)%
Additional function development service	22,259	12%	77,559	22%	(55,300)	(71)%
Subscription service	136,621	76%	137,030	39%	(409)	-
<b>Payment channel fee</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Others</b>	<b>20,768</b>	<b>12%</b>	<b>34,237</b>	<b>10%</b>	<b>(13,469)</b>	<b>(39)%</b>
<b>Total cost</b>	<b>\$ 179,648</b>	<b>100%</b>	<b>\$ 352,676</b>	<b>100%</b>	<b>\$ (173,028)</b>	<b>(49)%</b>

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Our service costs primarily include (1) labor costs (including salaries, social insurance and benefits) for employees involved with our operations and product support, (2) third-party service fees including cloud computing and data usage, (3) lease expense and (4) related costs of outsourcing contractor conducting system implementation and support services to customers. Cost of revenues for the year ended September 30, 2024, was \$179,648, a decrease of \$173,028, or 49%, from \$352,676 for the year ended September 30, 2023.

The following table shows information by different categories of services we provided for the year ended September 30, 2024 in USD:

<b>Service category</b>	<b>Professional fee</b>	<b>Payment channel fee</b>	<b>Others</b>	<b>Total</b>
Revenue	275,314	206,526	39,401	521,241
Cost of revenue	158,880	-	20,768	179,648
Gross profit	116,434	206,526	18,633	341,593
Gross margin	42%	100%	47%	66%

The following table shows information by different categories of services we provided for the year ended September 30, 2023 in USD:

<b>Service category</b>	<b>Professional fee</b>	<b>Payment channel fee</b>	<b>Others</b>	<b>Total</b>
Revenue	548,822	291,643	55,513	895,978
Cost of revenue	318,439	-	34,237	352,676
Gross profit	230,383	291,643	21,276	543,302
Gross margin	42%	100%	38%	61%

As a result of the foregoing, we had gross profits of \$341,693 and \$543,302 with gross margins of 66% and 61% for the years ended September 30, 2024 and 2023, respectively. The overall gross profit as margin increased by 5%. The gross margin has been and will continue to be affected by a number of factors, including the timing and extent of our investments in our operation, our ability to manage server costs, the ability to manage the usage of third-party software and the extent to which we periodically choose to pass on the cost savings from lower pricing and higher utilization to our customers in the form of lower prices as well as our efforts to drive greater usage of our products through attractive pricing and improve the serviceability of our PaaS platform by developing more customers.

*Selling expenses*

Our selling expenses decreased by \$131,445 or 58% from \$225,926 for the year ended September 30, 2023 to \$94,481 for the year ended September 30, 2024. The decrease was mainly due to the decrease in headcount and salaries and welfare.

The decrease of salaries and welfare by \$121,669 or 59% was primarily due to a decrease in headcount and pay cuts for the year ended September 30, 2024, compared to the year ended September 30, 2023.

*General and administrative expenses*

Our general and administrative expenses decreased by \$93,366 or 16%, from \$589,372 for the year ended September 30, 2023 to \$496,006 for the year ended September 30, 2024.

The decrease for the year ended September 30, 2024 was primarily due to a decrease in salaries and welfare of \$106,754 or 46% compared to the year ended September 30, 2024 as decrease in headcount and pay cuts.

*Research and development expenses*

Research and development costs for the year ended September 30, 2024 of \$1,139,922 decreased by \$1,012,680 or 47% compared to \$2,152,602 for the year ended September 30, 2023. The decrease was primarily attributed to the decrease in labor related costs including salary and welfare by \$839,219 or 47% for the year ended September 30, 2024 compared to the year ended September 30, 2023. Payment made to Cloud Service and other related research and development costs decreased by \$82,227 or 43% for the year ended September 30, 2024, which was in line with the operating of business of reducing of CRM development services.

*Other income, net.*

Total net other income was \$113,367 for the year ended September 30, 2024, compared to \$81,360 for the year ended September 30, 2023.

*Net loss*

As a result of the foregoing, we reported a net loss of \$1,280,661 for the year ended September 30, 2024, compared to a net loss of \$2,343,238 for the year ended September 30, 2023.

**B. Liquidity and Capital Resources**

*Cash Flows and Working Capital*

The Company has incurred recurring net cash outflows in operating activities since inception and has funded its operations primarily from public offerings. The Company had an accumulated deficit of approximately \$25.1 million and \$15.4 million as of September 30, 2025 and 2024, respectively. The Company had net losses of approximately \$9.6 million, \$1.3 million and \$2.3 million for the years ended September 30, 2025, 2024 and 2023, respectively.

For the year ended September 30, 2025, Net proceeds from the IPO, September 2025 Public Offering and the exercise of total Series A Warrants and Series B Warrants were \$9.1 million, \$5.3 million and \$4.5 million, respectively

As of September 30, 2025, the Company has approximately \$9.9 million of unrestricted cash. In addition, the Company will need to maintain its operating costs at a level through strict cost control and budget, such as staff reductions, to ensure operating costs are minimized and will not exceed such aforementioned sources of funds to continue as a going concern for a period within 12 months after the issuance of its consolidated financial statements.

The Company believes that available cash, together with the efforts from aforementioned management plan and actions will be sufficient to support its continuous operations and to meet its payment obligations when liabilities fall due within the next twelve months from the date of issuance of these consolidated financial statements. As a result, no substantial doubt about the Company's ability to continue as a going concern existed as of September 30, 2025.

*Cash Flows for the year ended September 30, 2025, compared to the year ended September 30, 2024*

The following table summarizes our cash flows for the years ended September 30, 2025 and 2024:

	<b>For the years ended September 30,</b>	
	<b>2025</b>	<b>2024</b>
Net cash used in operating activities	\$ (3,913,752)	\$ (728,066)
Net cash (used in) provided by investing activities	(3,028,941)	360
Net cash provided by financing activities	16,790,704	431,390
Effect of foreign exchange rate on cash	45,593	(59,713)
Net increase (decrease) in cash and restricted cash	<u>\$ 9,893,604</u>	<u>\$ (356,029)</u>

*Operating Activities*

Net cash used in operating activities was \$3,913,752 for the year ended September 30, 2025, as compared to \$728,066 net cash used in operating activities for the year ended September 30, 2024. The net cash used in operating activities for the year ended September 30, 2025, reflects our net loss of \$9,646,142, adjusted primarily for non-cash items, including a loss on issuance of warrant liabilities of \$5,802,241, issuance costs allocated to warrant liabilities of \$876,282, a loss from investments of \$2,736,514, and changes in the fair value of warrant liabilities of \$2,647,942, partially offset by a decrease in payroll payables of \$734,904, a decrease in contract liabilities of \$185,744, and an increase in prepaid expenses and other current assets of \$172,366.

The net cash used in operating activities for the year ended September 30, 2024, reflects our net loss of \$1,280,661, partially offset by a decrease in accounts receivable of \$52,210 and an increase in payroll payable of \$ 404,216.

*Investing Activities*

Net cash used in investing activities was \$3,028,941 for the year ended September 30, 2025, as compared to \$360 net cash provided by investing activities for the year ended September 30, 2024. The net cash used in investing activities for the year ended September 30, 2025, was primarily attributable to the purchase of short-term investment of \$3,800,000 and payment of acquisition of \$207,972, partially offset by proceeds from the redemption of short-term investment of \$979,031.

The net cash provided by investing activities for the year ended September 30, 2024, was primarily attributable to the disposal of property and equipment.

*Financing Activities*

Net cash provided by financing was \$16,790,704 for the year ended September 30, 2025, as compared to \$431,390 net cash provided by financing activities for the year ended September 30, 2024. The increase in net cash provided by financing activities for the year ended September 30, 2025 was primarily attributable to proceeds from the issuance of ordinary shares upon the initial public offering, net of offering costs, of \$9,097,000, proceeds from the follow-on offering of \$5,270,064, proceeds from the exercise of Series A Warrants of \$4,486,999, partially offset by repayments to related parties of \$1,038,283 and payment of deferred offering costs of \$1,028,932.

For the year ended September 30, 2024, we obtained funds from related parties of \$792,283 and partially offset by the payment of deferred offering costs of \$360,893.

*Cash Flows for the year ended September 30, 2024, compared to the year ended September 30, 2023*

The following table summarizes our cash flows for the years ended September 30, 2024, and 2023:

	<b>For the years ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
Net cash used in operating activities	\$ (728,066)	\$ (2,310,183)
Net cash provided by investing activities	360	815
Net cash provided by financing activities	431,390	484,878
Effect of foreign exchange rate on cash	(59,713)	5,194
Net decrease in cash and restricted cash	<u>\$ (356,029)</u>	<u>\$ (1,819,296)</u>

*Operating Activities*

Net cash used in operating activities was \$728,066 for the year ended September 30, 2024, as compared to \$2,310,183 net cash used in operating activities for the year ended September 30, 2023. The net cash used in operating activities for the year ended September 30, 2024, reflects our net loss of \$1,280,661, partially offset by a decrease in accounts receivable of \$52,210 and an increase in payroll payable of \$ 404,216. The net cash used in operating activities for the year ended September 30, 2023, reflects our net loss of \$2,343,238, a decrease in contract liabilities of \$268,907, partially offset by an increase in payroll payable of \$102,096 and a decrease in accounts receivable of \$94,595.

*Investing Activities*

Net cash provided by investing activities was \$360 for the year ended September 30, 2024, as compared to \$815 net cash provided by investing activities for the year ended September 30, 2023. The net cash provided by investing activities for the year ended September 30, 2024 and 2023, was mainly attributable to the disposal of property and equipment.

*Financing Activities*

Net cash provided by financing for the year ended September 30, 2024, was \$431,390, as compared to \$484,878 net cash provided by financing activities for the year ended September 30, 2023. For the year ended September 30, 2024, we obtained funds from related parties of \$792,283 and partially offset by the payment of deferred offering costs of \$360,893. For the year ended September 30, 2023, we obtained funds from related parties of \$284,292 and from the Industrial & Commercial Bank of China of \$321,834 partially offset by a cash outflow of payment of deferred offering costs of \$121,248.

**Contractual Obligations**

The following table sets forth our contractual obligations as of September 30, 2025:

	Payment due in			
	Total USD	Less than 1 year	1 – 2 years	Thereafter
Short-term bank loan	318,865	318,865	-	-
Operating lease	87,471	51,065	36,406	-

### Off-Balance Sheet Arrangements

We have not entered into any off-balance sheet financial guarantees or other off-balance sheet commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our shares and classified as shareholder's deficit (equity) or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or product development services with us.

### Concentrations

#### (a) Customer

The following table sets forth information as to each customer that accounted for 10% or more of net revenue for the years ended September 30, 2025, 2024 and 2023.

Customer	Years Ended September 30,					
	2025		2024		2023	
	Amount	%	Amount	%	Amount	%
Customer B	\$ 208,531	39%	\$ 134,551	26%	\$ 147,268	16%
Customer E	112,528	21%	-	-	-	-
Customer F	89,172	16%	-	-	-	-
Customer A	19,464	4%	194,598	37%	264,686	30%
Customer C	28,031	5%	-	-	142,807	16%
Customer D	-	-	75,562	14%	121,509	14%
<b>Total</b>	<b>\$ 457,726</b>	<b>85%</b>	<b>\$ 404,711</b>	<b>77%</b>	<b>\$ 676,270</b>	<b>76%</b>

The following table sets forth information as to each customer that accounted for 10% or more of total gross accounts receivable as of September 30, 2025 and 2024.

Customer	September 30, 2025		September 30, 2024	
	Amount	% of Total	Amount	% of Total
Customer B	\$ 176,534	83%	\$ 121,524	73%
Customer A	24,344	11%	-	-
Customer E	1,397	1%	29,412	17%
<b>Total</b>	<b>\$ 202,275</b>	<b>95%</b>	<b>\$ 150,936</b>	<b>90%</b>

#### (b) Suppliers

The following table sets forth information as to each supplier that accounted for 10% or more of purchase for the years ended September 30, 2025, 2024 and 2023.

Supplier	Years Ended September 30,					
	2025		2024		2023	
	Amount	%	Amount	%	Amount	%
Supplier A	\$ 87,270	37%	\$ 112,285	37%	\$ 205,573	46%
Supplier B	27,872	12%	36,047	12%	59,604	13%
Supplier C	33,585	14%	-	-	-	-
Supplier F	26,448	11%	-	-	-	-
<b>Total</b>	<b>\$ 175,175</b>	<b>74%</b>	<b>\$ 148,332</b>	<b>49%</b>	<b>\$ 265,177</b>	<b>59%</b>

The following table sets forth information as to each supplier that accounted for 10% or more of total accounts payable as of September 30, 2025 and 2024.

Supplier	September 30, 2025		September 30, 2024	
	Amount	% of Total	Amount	% of Total
Supplier D	\$ 17,559	51%	\$ 17,812	57%
Supplier E	13,345	39%	13,537	43%
Supplier G	3,286	10%	-	-%
<b>Total</b>	<b>\$ 34,190</b>	<b>100%</b>	<b>\$ 31,349</b>	<b>100%</b>

#### Contingencies

During the ordinary course of business, the Company may encounter legal proceedings, claims, and litigation. These matters are fraught with uncertainties, and their outcomes cannot be accurately predicted. In accordance with accounting principles, if the Company determines that it is probable a loss has occurred and the amount can be reasonably estimated, a liability will be recorded.

As of September 30, 2025, the Company is involved in three separate legal cases with one former employee.

##### Labor Arbitration Claim (Case 1)

In July 2024, the Company became subject to a labor arbitration claim. In connection with this matter, certain funds totaling \$24,298 (RMB 172,980) were restricted by the court. As of September 30, 2025, the arbitration remains pending.

##### Resolved Labor Dispute (Case 2)

In September 2025, a labor-related legal matter was resolved following a first-instance court judgment. Pursuant to the judgment, the Company was required to pay wage differentials for a specified period, together with an immaterial case filing fee. The Company settled the related amounts of approximately \$7,703 (RMB 54,837) in October 2025.

##### Appealed Labor Dispute (Case 3)

In December 2025, a first-instance judgment was issued in connection with another labor dispute, requiring the Company to make a payment to the plaintiff. The Company has appealed the judgment and is in the process of completing the appeal procedures. As of the reporting date, the appeal is pending.

As of September 30, 2025 and 2024, the Company's accrued provision for its ongoing litigation matters was \$24,459 and nil respectively, which was recorded in accrued expenses and other current liabilities in its consolidated financial statements. There was no further update as the date that the consolidated financial statements are available to be issued.

#### Inflation

Inflation does not materially affect our business or the results of our operations.

#### Seasonality

The nature of our business does not appear to be affected by seasonal variations.

### C. Critical Accounting Estimates

We prepare our consolidated financial statements in conformity with U.S. GAAP, which requires us to make judgments, estimates and assumptions. We continually evaluate these estimates and assumptions based on the most recently available information, our own historical experiences and various other assumptions that we believe to be reasonable under the circumstances. Since the use of estimates is an integral component of the financial reporting process, actual results could differ from our expectations as a result of changes in our estimates. We evaluate these estimates on an ongoing basis.

An accounting policy is considered critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time such an estimate is made and if different accounting estimates that reasonably could have been used, or changes in the accounting estimates that are reasonably likely to occur, could materially impact the consolidated financial statements. Out of our significant accounting policies, which are described in "Note 3—Summary of Significant Accounting Policies" of our consolidated financial statements included elsewhere in this Form 20-F, accounting policies for revenue recognition, allowance for credit loss, impairment of long-lived assets and valuation allowance for deferred tax asset are deemed "critical", as they require management's highest degree of judgment, estimates and assumptions. The descriptions of critical accounting policies, judgments and estimates should be read in conjunction with our consolidated financial statements and other disclosures included in this annual report. We believe that the following critical accounting estimates involve the most significant judgments used in the preparation of our financial statements.

#### Revenue recognition for Customized CRM system development and cloud-based connectivity services

We provide customized CRM system development services and cloud-based connectivity to our customers with tailored functionalities and interfacing capabilities suitable to meet the operation needs of our customers and provides continuous access to the customized CRM through our platform which represent a single promise. The provision of customized CRM platform accessing, and function updates is considered as one performance obligation as the services provided are not distinct within the context of the contract whereas the customer can only obtain benefit when the services are provided together. We have a continuous obligation to ensure the performance of the customized CRM system through our platform over the contract service period. As we provide the customers with the right to use customized CRM system, we have the right to recognize revenue over the contractual service period by using input method.

*Allowance for credit loss*

Accounts receivable include trade accounts due from clients. The credit terms given to customers are generally 90 days. We review our receivables on a regular basis to determine if the provision for credit loss is adequate and makes provision when necessary. Accounts receivable is considered past due based on its contractual terms. In establishing the allowance, we use an aging schedule method to estimate the amount of the allowance for credit losses. We also consider historical losses, the financial condition, the payment patterns and the forecasted information in pooling basis upon the use of the Current Expected Credit Loss Model (“CECL Model”) in accordance with ASC topic 326, Financial Instruments - Credit Losses. As of September 30, 2025, 2024, and 2023, the allowances for expected credit loss were nil, \$4,664 and nil, respectively. As of September 30, 2025, 2024, and 2023, the write-off of allowances for expected credit loss were nil, \$4,664 and nil, respectively.

*Valuation allowance for deferred tax asset*

We record a valuation allowance to reduce our deferred tax assets to the amount that is more likely than not to be realized. Significant judgment is required in determining the valuation allowance. In assessing the need for a valuation allowance, we consider all sources of taxable income, including projected future taxable income, reversing taxable temporary differences and ongoing tax planning strategies. If it is determined that we are able to realize deferred tax assets over the net carrying value or to the extent we are unable to realize a deferred tax asset, we would adjust the valuation allowance in the period in which such a determination is made, with a corresponding increase or decrease to earnings. As of September 30, 2025, 2024 and 2023, we have made full valuation allowance to deferred tax assets with amount of \$1.23 million, \$1.17 million and \$3.00 million, respectively.

**ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES****A. Directors and Senior Management****Executive Officers and Directors**

The following table provides information regarding our executive officers and directors, including their ages as of September 30, 2025:

<b>Name</b>	<b>Age</b>	<b>Position(s)</b>
<b>Jinhou Sun</b>	33	Chairman of Board of Directors and Director
<b>Shaozhang Lin</b>	41	Chief Executive Officer and Director
<b>Xirui Guo</b>	40	Chief Financial Officer
<b>Qing Gao</b>	54	Independent Director
<b>Richard Wee Yong Seow</b>	63	Independent Director
<b>Edward C. Ye</b>	43	Independent Director

The business address of all such senior management and directors is Room 1005, 1006, 1007, No. 122 Huangpu Avenue West, Tianhe District, Guangzhou, Guangdong province, PRC 510000.

The following is a brief biography of each of our executive officers and directors.

***Jinhou Sun***

Mr. Sun is one of the co-founders of our company and has served as a Director and Chairman of our Board of Directors since April 2023. Mr. Sun joined our company with four years of experience in product managing in 2018. Mr. Sun has worked for Beijing Xiaoju Technology Co., Ltd., which was the company behind the popular ride-hailing platform DiDi Chuxing for four years, where he participated in a series of important product developments, such as “DiDi Cab” and “DiDi Express”. Mr. Sun led the certification product of DiDi’s special car service. He was responsible for the development of taxi driver products and the launch of DiDi scanning function. Mr. Sun attended Beijing University of Posts and Telecommunications between 2011 and 2013 before he joined Beijing Xiaoju Technology Co., Ltd. We have chosen Mr. Sun to serve as a director because of his expertise and experience in product development and management.

***Shaozhang Lin***

Mr. Lin has served as our Director since the date of incorporation on October 21, 2022 and he has served as our Chief Executive Officer since April 2023. Mr. Lin founded our company in Guangzhou and has more than 15 years of experience in technology R&D. From July 2016 to February 2018, he was the CTO & Vice President of Beijing Wuqiong Information Technology Co. Ltd., and CTO of Guangzhou Fifteen Minutes E-Commerce Co. Ltd. from December 2015 to June 2016. Mr. Lin was the former technical leader of WeCom and Tencent Enterprise Mailbox. In 2006, he joined Tencent Holdings Ltd, a world-leading internet and technology company, where he was senior engineer. Mr. Lin obtained a B.S. degree from South China University of Technology and an M.S. degree from Sun Yat-sen University. We have chosen Mr. Lin to serve as a director because of his expertise and experience in the technology industry.

***Xirui Guo***

Xirui Guo has served as our Chief Financial Officer since April 2023. Mr. Guo has also served as an Executive Director for Fern Win Group from July 2021 to February 2023. From January 2021 to July 2021, Mr. Guo served as the Deputy General Manager and CFO of Shenzhen Chuang Fei Ge (CFG) Environmental Ltd. Mr. Guo was fully responsible for helping the company prepare for an initial public offering and set up a legal compliance and internal control system. Mr. Guo also served as Finance Controller of Pure Fiji Australia Pty Ltd from September 2014 to May 2017; Managing Director of Legal and Compliance of Huarong (HK) Industrial & Financial Investment Ltd from June 2017 to September 2018; Assistant President of Yong Cheng Ying Fu (YCYF) Asset Management Ltd from September 2018 to December 2020. Mr. Guo obtained a B.S. degree from Sichuan University with a Bachelor of Law and M.A. degree from Macquarie University. Mr. Guo is a member of the Chinese Institute of Certified Public Accountants and also has the Legal Professional Qualification. We have chosen Mr. Guo to serve as a CFO because of his expertise and experience in accounting and management.

***Qing Gao***

Ms. Gao has served as our independent director since April 2023. She has held senior financial leadership roles at multiple regional and international companies, including International Visa, Inc., where she was a director and was responsible for technical accounting and SEC reporting. She also has served as Corporate Controller of Linden Research, Inc., also known as Second Life, from December 2021 to November 2022. From September 2017 to November 2021, she worked for International Data Group (IDG), initially as Assistant Controller before being promoted to Controller. In this role, she led purchase accounting valuation, M&A integration of a SaaS company, and led due diligence for Blackstone’s acquisition of IDG. She later returned to IDG as Vice President of Financial Planning & Analysis from December 2022 to October 2023. Ms. Gao currently serves as the Corporate Controller at MoonPay Inc., a multinational financial technology company. Ms. Gao obtained a bachelor’s degree in business in International Finance from Nankai University in 1973 and a Master of Science in Accounting & Finance from London School of Economics and Political Science. We chose Ms. Gao to be a member of our Board of Directors because we believe we will benefit from her broad experience in financial reporting, accounting, auditing, tax, business management and corporate control.

**Richard Wee Yong Seow**

Mr. Seow has served as our independent director since April 2023. Since August 2022, Mr. Seow has served as the Head of High-Performance Computing and AI Sales of Lenovo (HKSE: 992) (ADR: LNVGY), a \$60 billion revenue Fortune Global 500 company serving customers in 180 markets around the world. Mr. Seow is also the CEO and Founder of Frontier Capital Advisory Pte Ltd, where he has served since July 2009, providing extensive clients and business alliance partners across China, Taiwan, Hong Kong, the United States, Europe and Southeast Asia. Mr. Seow has also served in the following roles: the business development director of Atos Information Technology, a company engaged in digital transformation with over 120,000 employees in 72 countries and annual revenue of over €12 billion and listed on CAC40 Paris Stock Index, from September 2019 to June 2022; (ii) the Business Development Director of SBI E2 Family Advisory Company Limited, a member of the Stock Exchange of Hong Kong Limited and registered with the Securities and Futures Commission, from June 2017 to September 2019; (iii) Vice President of Asia-Pacific of Rycal Asia-Pacific Group, a United Kingdom real estate investment company headquartered in Wiltshire, England, from March 2016 to May 2017; (iv) Executive Director and board member of Hin Fah Medical Company Limited from December 2012 to May 2019 and Alternate Executive Director and alternate board member from May 2019 to present. In 1988, Mr. Seow obtained a bachelor’s degree in electrical engineering from the California State University – Fresno and obtained an MBA from Oklahoma City University in 1997. Mr. Seow is an admitted member of The Institution of Engineers, Singapore, The Institute of Electrical and Electronics Engineers (IEEE) in the United States and The Institution of Engineering and Technology (IET) in the United Kingdom. Mr. Seow was also elected as an Active Member of The New York Academy of Sciences in 1944. Mr. Seow was selected to be a member of our Board of Directors due to his distinguished background in technology and engineering as well as his extensive experience in serving as a director of public companies.

**Edward C. Ye**

Mr. Ye has served as our independent director since April 2023. From 2008 to 2013, Mr. Ye served in the Alan C. Liu, CPA Accounting Office as Senior Manager, where he was responsible for planning and executing audits in the manufacturing, venture capital, life science and automobile industries with revenue upwards of \$5 billion. He led teams to deliver U.S. GAAP audit services. From 2013 to 2017, Mr. Ye was CFO of Bibi Global, where he implemented formal budgeting, forecasting and reporting systems, managed all day-to-day banking, treasury, and operating cash flow for effective financial planning, analyzed and established product line gross profit margins, reduced SG&A expenses and head count, evaluated and established new and profitable business opportunities as a key member of the management team. Since 2018, Mr. Ye has served as Vice President of Finance of Wimi Hologram Cloud Inc. (Nasdaq: WIMI). Mr. Ye oversaw Wimi’s initial public offering process and coordinated capital financing, ensuring the company’s financial compliance. Mr. Ye obtained a B.S. degree in Business Administration in 2005 from California State University Los Angeles with a major in Finance and a minor in Economics. Mr. Ye was selected to be a member of our Board of Directors due to his expertise in finance and business, management, and his professionalism in providing strategic advice to management in both the United States and Asia.

**Election of Officers**

Our executive officers are elected by, and serve at the discretion of, our Board of Directors. There are no familial relationships among any members of the executive officers.

**B. Compensation**

The following table presents summary information regarding the total compensation awarded to, earned by, or paid to each of the named executive officers for services rendered to us for the years ended September 30, 2024 and 2023.

<b>Name and Principal Position</b>	<b>Fiscal Year</b>	<b>Salary</b>	<b>Bonus<sup>(1)</sup></b>	<b>All Other Compensation<sup>(2)</sup></b>	<b>Total (\$)</b>
Shaozhang Lin <i>Chief Executive Officer</i>	2024	\$ 11,929	\$ -	\$ -	\$ 11,929
	2025	\$ 121,081	\$ -	\$ -	\$ 121,081
Xirui Guo <sup>(3)</sup> <i>Chief Financial Officer</i>	2024	\$ -	\$ -	\$ -	\$ -
	2025	\$ 72,000	\$ -	\$ -	\$ 72,000

(1) No officer received a bonus in the year ended 2024 and 2025.

(2) Consists of social security payments required under Chinese law. Although we also reimburse the referenced individuals for reasonable expenses, such reimbursements do not, in the aggregate, exceed \$10,000 for any individual in any year presented and are not considered perquisites because they are integrally and directly related to the performance of such recipients’ jobs.

(3) Xirui Guo joined our company in February 2023 and was appointed as Chief Financial Officer (Principal Financial Officer) effective April 6, 2023. After IPO, Mr. Guo started to receive \$8,000 per month as salary from January 2025 to December 2025.

## Employment Agreements

Each employee is required to enter into an employment agreement. Accordingly, all of our employees, including management, have executed their employment agreements. Our employment agreements with our executives provide the amount of each executive officer's salary, to be paid monthly, and establish their eligibility to receive a bonus. The agreements also provide that executive officers are to work full time for our company are entitled to all legal holidays as well as other paid leave in accordance with PRC laws and regulations and internal work policies. The employment agreements also provide that we will pay for all mandatory social security programs for its executive officers in accordance with PRC regulations. Our executive officers are subject to keep trade secrets confidential. In addition, our employment agreements with our executive officers prevent them from rendering services for our competitors for so long as they are employed.

Other than the salary, bonuses, equity grants and necessary social benefits required by the government, which are defined in the employment agreements, we currently do not provide other benefits to the officers. Our executive officers are not entitled to severance payments upon the termination of their employment agreement or following a change in control.

We have not provided retirement benefits (other than a state pension scheme in which all of its employees in China participate) or severance or change of control benefits to our named executive officers.

Under Chinese law, we may terminate an employment agreement without penalty by providing the employee thirty days' prior written notice or one month's wages in lieu of notice and pay the employee one month's salary for each year we have employed the employee if the employee is incompetent or remains incompetent after training or adjustment of the employee's position in other limited cases. If we wish to terminate an employment agreement in the absence of cause, then it is obligated to pay the employee two month's salary for each year we have employed the employee. We are, however, permitted to terminate an employee for cause without penalty to the company, where the employee has committed a crime or the employee's gross neglect of duty or corruptive actions have resulted in a material adverse effect to us.

### *Shaozhang Lin*

We entered into an employment agreement with our Chief Executive Officer, Mr. Shaozhang Lin, effective April 6, 2023. Under the terms of Mr. Lin's employment, he is entitled to base compensation of \$96,000 per year.

Mr. Lin's initial term of employment is for three years, which commenced on April 6, 2023 unless terminated earlier pursuant to cause or at any time by the company without cause upon presentation of thirty (30) days' prior written notice. The Executive may also terminate the Employment without cause at any time with thirty (30) days' prior written notice, if (1) there is a material reduction in the Executive's authority, duties and responsibilities unless such reduction was made with Executive's consent, or (2) there is a material reduction in the Executive's annual salary (the occurrences in (1) and (2) being referred to as "Good Reason").

On December 17, 2025, we entered into a Supplemental Agreement and a Waiver and Release of Compensation Claims with Mr. Lin. The Supplemental Agreement amended and supplemented the initial employment agreement to clarify that no salary, bonus, equity compensation, severance, or other forms of remuneration were intended to accrue or become payable to Mr. Lin for services rendered prior to our initial public offering. In addition, effective January 1, 2026, Mr. Lin shall receive his salary, which amount remained unchanged, from our subsidiary, Guangzhou Youxin Technology Co., Ltd, and not by us. The remaining terms of the initial employment agreement as disclosed herein continue in force and effect.

Under the Waiver and Release of Compensation Claims, Mr. Lin agreed to irrevocably and unconditionally waive, release, disclaim and forever relinquished any and all claims relating to any compensation for services rendered prior to our initial public offering, and relating to the payment of Mr. Lin's salary from any entity other than Guangzhou Youxin Technology Co., Ltd. Mr. Lin further represented that he had not commenced, filed, or initiated, or is a party to any claim, lawsuit, or arbitration against the Company relating to his compensation under the initial employment agreement.

### *Xirui Guo*

We entered into an employment agreement with our Chief Financial Officer, Mr. Xirui Guo, effective April 6, 2023. Under the terms of Mr. Guo's employment, he is entitled to base compensation of \$96,000 per year.

Mr. Guo's initial term of employment is for three years, which commenced on April 6, 2023 unless terminated earlier pursuant to cause or at any time by the company without cause upon presentation of thirty (30) days' prior written notice. The Executive may also terminate the Employment notice without cause at any time with thirty (30) days' prior written, if (1) there is a material reduction in the Executive's authority, duties and responsibilities unless such reduction was made with Executive's consent, or (2) there is a material reduction in the Executive's annual salary (the occurrences in (1) and (2) being referred to as "Good Reason").

On December 17, 2025, we entered into a Supplemental Agreement and a Waiver and Release of Compensation Claims with Mr. Guo. The Supplemental Agreement amended and supplemented the initial employment agreement to clarify that no salary, bonus, equity compensation, severance, or other forms of remuneration were intended to accrue or become payable to Mr. Guo for services rendered prior to our initial public offering. In addition, effective January 1, 2026, Mr. Guo shall receive his salary, which amount remained unchanged, from our subsidiary, Guangzhou Youxin Technology Co., Ltd, and not by us. The remaining terms of the initial employment agreement as disclosed herein continue in force and effect.

Under the Waiver and Release of Compensation Claims, Mr. Guo agreed to irrevocably and unconditionally waive, release, disclaim and forever relinquished any and all claims relating to any compensation for services rendered prior to our initial public offering, and relating to the payment of Mr. Guo's salary from any entity other than Guangzhou Youxin Technology Co., Ltd. Mr. Guo further represented that he had not commenced, filed, or initiated, or is a party to any claim, lawsuit, or arbitration against the Company relating to his compensation under the initial employment agreement.

## **C. Board Practices**

### ***Duties of Directors***

As a matter of Cayman Islands law, a director of a Cayman Islands company is considered a fiduciary of the company. Accordingly, directors owe fiduciary duties to their companies to act in accordance with the best interests of the company, to exercise their powers for the purposes for which they are conferred and not to place themselves in a position where there is a conflict between their personal interests and their duty to the company. Accordingly, a director owes a company a duty not to make a profit based on his or her position as director (unless the company permits him or her to do so) and a duty not to put himself or herself in a position where the interests of the company conflict with his or her personal interests or his or her duties to a third party. However, a company's articles of association may permit a director to vote on a matter in which he or she has a personal interest if he or she has disclosed the nature of his or her interest to the board of directors. Our Articles of Association provide that a director must disclose the nature and extent of any material interests in any contract or arrangement, and that he or she may not vote at any meeting on any resolution concerning an interested matter.

A director of a Cayman Islands company also owes to the company duties to exercise independent judgment in carrying out his functions and to exercise reasonable skill, care and diligence, which has both objective and subjective elements. Recent Cayman Islands case law confirmed that directors must exercise the care, skill and diligence that would be exercised by a reasonably diligent person having the general knowledge, skill and experience reasonably to be expected of a person acting as a director. Additionally, a director must exercise the knowledge, skill and experience that he or she actually possesses.

### ***Interested Transactions***

A director may vote, attend a board meeting or, presuming that the director is an officer and that it has been approved, sign a document on our behalf with respect to any contract or transaction in which he or she is interested. We require directors to promptly disclose the interest to all other directors after becoming aware of the fact that he or she is interested in a transaction we have entered into or are to enter into. A general notice or disclosure to the board or otherwise contained in the minutes of a meeting or a written resolution of the board or any committee of the board that a director is a shareholder, director, officer or trustee of any specified firm or company and is to be regarded as interested in any transaction with such firm or company will be sufficient disclosure, and, after such general notice, it will not be necessary to give special notice relating to any particular transaction.

### ***Compensation and Borrowing***

The directors may receive such remuneration as our Board of Directors may determine or change from time to time. The compensation committee will assist the directors in reviewing and approving the compensation structure for the directors. Our Board of Directors may exercise all the powers of the company to borrow money and to mortgage or charge our undertakings and property or any part thereof, to issue debentures, debenture stock and other securities whenever money is borrowed or as security for any debt, liability or obligation of the company or of any third party.

### ***Qualification***

A majority of our Board of Directors is required to be independent. There are no membership qualifications for directors. Further, there are no share ownership qualifications for directors unless so fixed by us in a general meeting, and this has not been so fixed as of the date of this report. There are no other arrangements or understandings pursuant to which our directors are selected or nominated.

### ***Director Compensation***

Employee directors do not receive any compensation for their services. Non-employee directors will be entitled to receive such remuneration as our Board of Directors may determine or change from time to time for serving as directors and may receive incentive option grants from our Company. In addition, each non-employee director is entitled to be repaid or prepaid all travel, hotel and incidental expenses reasonably incurred or expected to be incurred in attending meetings of our Board of Directors or committees of our Board of Directors or shareholder meetings or otherwise in connection with the discharge of his or her duties as a director.

For so long as we qualify as a foreign private issuer, we will not be required to comply with the proxy rules applicable to U.S. domestic companies regarding disclosure of the compensation of certain executive officers on an individual basis.

### ***Limitation of Director and Officer Liability***

Under Cayman Islands law, each of our directors and officers, in performing his or her functions, is required to act honestly and in good faith with a view to our best interests and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Cayman Islands law does not limit the extent to which a company's Memorandum and Articles of Association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime.

Under our Memorandum and Articles of Association, we may indemnify our directors, officers and liquidators against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with civil, criminal, administrative or investigative proceedings to which they are party or are threatened to be made a party by reason of their acting as our director, officer or liquidator. To be entitled to indemnification, these persons must have acted honestly and in good faith with a view to the best interest of the company and, in the case of criminal proceedings, they must have had no reasonable cause to believe their conduct was unlawful. Such limitation of liability does not affect the availability of equitable remedies such as injunctive relief or rescission. These provisions will not limit the liability of directors under United States federal securities laws.

The decision of our Board of Directors as to whether the director acted honestly and in good faith with a view to our best interests and as to whether the director had no reasonable cause to believe that his or her conduct was unlawful, is in the absence of fraud sufficient for the purposes of indemnification, unless a question of law is involved. The termination of any proceedings by any judgment, order, settlement, conviction or the entry of no plea does not, by itself, create a presumption that a director did not act honestly and in good faith and with a view to our best interests or that the director had reasonable cause to believe that his or her conduct was unlawful. If a director to be indemnified has been successful in defense of any proceedings referred to above, the director is entitled to be indemnified against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred by the director or officer in connection with the proceedings.

We may purchase and maintain insurance in relation to any of our directors or officers against any liability asserted against the directors or officers and incurred by the directors or officers in that capacity, whether or not we have or would have had the power to indemnify the directors or officers against the liability as provided in our Memorandum and Articles of Association.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted for our directors, officers or persons controlling our company under the foregoing provisions, we have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

### ***Involvement in Certain Legal Proceedings***

To the best of our knowledge, none of our directors or officers has been convicted in a criminal proceeding, excluding traffic violations or similar misdemeanors, nor has been a party to any judicial or administrative proceeding during the past five years that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws, except for matters that were dismissed without sanction or settlement. Except as set forth in our discussion below in "Related Party Transactions," our directors and officers have not been involved in any transactions with us or any of our affiliates or associates which are required to be disclosed pursuant to the rules and regulations of the SEC.

### ***Code of Business Conduct and Ethics***

Upon completion of this offering, the Board of Directors will adopt a code of business conduct and ethics applicable to our directors, officers and employees in connection with our application to list on The Nasdaq Capital Market. Our Code of Business Conduct and Ethics will require us to comply with applicable laws, regulations and rules; keep accurate corporate records; avoid conflicts of interest; maintain corporate confidentiality; refrain from insider trading, corruption, harassment and other inappropriate behavior; and encourage reporting of any known or suspected violations without fear of reprisal.

We currently do not have a code of business conduct and ethics applicable to our directors, officers and employees. However, we intend to adopt one in the near future in connection with our application to list on The Nasdaq Capital Market.

### **Committees of the Board of Directors**

#### ***Board of Directors and Board Committees***

Our Board of Directors consists of five (5) directors. Our board of directors have determined that our three independent director namely, Qing Gao, Richard Wee Yong and Edward C. Ye, satisfy the “independence” requirements under the listing rules of The Nasdaq Capital Market. The independent directors were appointed on April 6, 2023.

A director may vote in respect of any contract or transaction in which he is interested, provided, however that the nature of the interest of any director in any such contract or transaction shall be disclosed by him at or prior to its consideration and any vote on that matter. A general notice or disclosure to the directors or otherwise contained in the minutes of a meeting or a written resolution of the directors or any committee thereof of the nature of a director’s interest shall be sufficient disclosure and after such general notice, it shall not be necessary to give special notice relating to any particular transaction. A director may be counted for a quorum upon a motion in respect of any contract or arrangement which he shall make with our company, or in which he is so interested and may vote on such motion.

Mr. Sun currently holds the position of Chairman of the Board, Mr. Lin holds both the positions of Chief Executive Officer and Director. We do not have a lead independent director, and we do not anticipate having a lead independent director because we will encourage our independent directors to freely voice their opinions on a relatively small company board. We believe this leadership structure is appropriate because we are a relatively small company in the process of listing on a public exchange. Our Board of Directors plays a key role in our risk oversight. The Board of Directors makes all relevant Company decisions. As a smaller company with a small board of directors, we believe it is appropriate to have the involvement and input of all of our directors in risk oversight matters.

#### ***Board Committees***

We established three standing committees under the board: the audit committee, the compensation committee and the nomination and corporate governance committee. Each committee will have three members, and each member is independent, as such term is defined by The Nasdaq Capital Market. The audit committee is responsible for overseeing the accounting and financial reporting processes of our company and audits of the financial statements of our company, including the appointment, compensation and oversight of the work of our independent auditors. The compensation committee of the board of directors reviews and makes recommendations to the board regarding our compensation policies for our officers and all forms of compensation, and also administers and has authority to make grants under our incentive compensation plans and equity-based plans (but our board will retain the authority to interpret those plans). The nomination and corporate governance committee of the board of directors is responsible for the assessment of the performance of the board, considering and making recommendations to the board with respect to the nominations or elections of directors and other governance issues. The nomination and corporate governance committee considers diversity of opinion and experience when nominating directors.

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The members of the audit committee, the compensation committee and the nomination and corporate governance committee are set forth below. All such members qualify as independent under the rules of The Nasdaq Capital Market.

Director Name	Audit Committee	Compensation Committee	Nomination and Corporate Governance Committee
Edward C. Ye	(1)(3)	(1)	(1)(2)
Richard Wee Yong Seow	(1)	(1)(2)	(1)
Qing Gao	(1)(2)(3)	(1)	(1)
Shaozhang Lin			
Jinhou Sun			

- (1) Committee member  
(2) Committee chair  
(3) Audit committee financial expert

**D. Employees.**

See “Item 4.B. Business Overview—Employees.”

**E. Share Ownership**

See “Item 7.A. Major Shareholders” below.

**ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS**

**A. Major Shareholders**

The following table sets forth information with respect to beneficial ownership of our Class A and Class B Shares of September 30, 2025, by:

- Each person who is known by us to beneficially own 5% or more of our outstanding ordinary shares;
- Each of our directors and named executive officers; and
- All of our directors and named executive officers as a group.

Name of Beneficial Owner	Shares Beneficially Owned(1)(2)		Percentage of Voting Power
	Number	Percent	
<b>Executive Officers and Directors:</b>			
Shaozhang Lin	-	-%	-%
Jinhou Sun	-	-%	-%
Xirui Guo	-	-%	%
Qing Gao	-	-%	%
Richard Wee Yong Seow	-	-%	%
Edward C. Ye	-	-%	-%
<b>Directors and executive officers as a group (6 persons)</b>	-	-%	-%
<b>5% or Greater Shareholders:</b>			
Kastle Limited (3)	9,022,868	80.04%	98.76%

(1) Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to ordinary shares. All shares represent only Class A Shares and Class B Shares held by shareholders as no options are issued or outstanding.

(2) Pursuant to our company’s Memorandum and Articles of Association, the share capital of the company is \$50,000 divided into 5,000,000 Class A Shares with a par value of \$0.008 per share, and 100,000,000 shares Class B Shares with a par value of \$0.0001 per share. Class A Shares are entitled to 1 vote per share and our Class B Shares are entitled to 20 votes per share.

(3) The shareholders Anxin Youxin Capital Ltd, Hope Youxin Capital Ltd, FWZ Youxin Capital Ltd, Youxin XHB Capital Ltd, and Youxin HW Capital Ltd have transferred their Class A ordinary shares and Class B ordinary shares of the Company into the Voting Trust, under which the Kastle Limited acts as a bare trustee and holds the shares for the benefit of the Beneficiaries. The address of Kastle Limited is 1/F, 308 CENTRAL DES VOEUX, NO. 308 DES VOEUX ROAD CENTRAL, SHEUNG WAN, HONG KONG.

**Controlled Company**

Prior to the completion of this offering, and as long as our officers and directors, either individually or in the aggregate, own at least 50% of the voting power of our Company, we are a “controlled company” as defined under Nasdaq Marketplace Rule 5615(e)(1).

For so long as we are a controlled company under that definition, we are permitted to elect to rely, and may rely, on certain exemptions from corporate governance rules, including:

- an exemption from the rule that a majority of our Board of Directors must be independent directors;
- an exemption from the rule that the compensation of our chief executive officer must be determined or recommended solely by independent directors; and
- an exemption from the rule that our director nominees must be selected or recommended solely by independent directors.

As a result, you will not have the same protection afforded to shareholders of companies that are subject to these corporate governance requirements. Although we do not intend to rely on the “controlled company” exemption under the Nasdaq listing rules for at least one year after the initial public offering, we could elect to rely on

this exemption in the future. If we elect to rely on the “controlled company” exemption, a majority of the members of our Board of Directors might not be independent directors and our nominating and corporate governance and compensation committees might not consist entirely of independent directors. See “Risk Factor — *As a “controlled company” under the rules of The Nasdaq Capital Market, we may choose to exempt our Company from certain corporate governance requirements that could have an adverse effect on our public shareholders.*”

## **B. Related Party Transactions**

The following is a description of the material terms of those transactions with related parties to which we, or our subsidiaries, are party.

### **Loan Agreement**

On October 17, 2022, Baiyan agreed to loan the Company up to \$712,494 (RMB5,000,000) to be used for a portion of the expenses of the Proposed Public Offering. These loans are non-interest bearing, unsecured and are due at the earlier of October 16, 2024, or the closing of the Proposed Public Offering. On October 15, 2024, Baiyan agreed to increase the loan limit to \$1,424,989 (RMB10,000,000) and extended the repayment term to April 17, 2025. As of September 30, 2024, the Company had borrowed \$793,706 under the promissory note. As of the September 30, 2025, these loans were fully repaid.

On October 17, 2022, Mr. Jinhou Sun agreed to loan the Company up to \$712,494 (RMB5,000,000) to be used for a portion of the expenses of the Proposed Public Offering. These loans are non-interest bearing, unsecured and are due at the earlier of October 16, 2024 or the closing of the Proposed Public Offering. On October 15, 2024, these loans were subsequently extended to April 17, 2025. As of September 30, 2024, the Company had borrowed \$164,586 under the promissory note. As of the September 30, 2025, these loans were fully repaid.

On January 5, 2024, Mr. Shaozhang Lin agreed to loan the Company up to \$712,494 (RMB5,000,000) to be used for a portion of the expenses of the Proposed Public Offering. These loans are non-interest bearing, unsecured and are due on January 5, 2026. As of September 30, 2024, the Company had borrowed \$43,890 under the promissory note. As of September 30, 2025, these loans were fully repaid.

On February 22, 2024, Shengkai agreed to loan the Company up to \$142,499 (RMB1,000,000) to be used for a portion of the expenses of the Proposed Public Offering. These loans are non-interest bearing, unsecured and are due at the earlier of October 16, 2024 or the closing of the Proposed Public Offering. As of September 30, 2024, the Company had borrowed \$64,937 under the promissory note. As of September 30, 2025, these loans were fully repaid.

### **Amount Due From a Related Party**

Amount due from a related party represents reimbursements of business expenses paid on behalf of the Company. During the year ended September 30, 2025, the Company advanced \$17,260 to Shaozhang Lin. The amount is unsecured, non-interest bearing and repayable on demand. As of September 30, 2025, the balance of amount due from a related party was \$17,486. As of the issuance date of the consolidated financial statements, the repayment amount was nil.

### **Future Related Party Transactions**

After completion of this offering, the audit committee of our Board of Directors (which we will establish and which will consist solely of independent directors) must approve all related party transactions. All related party transactions will be made or entered into on terms that are no less favorable to us than can be obtained from unaffiliated third parties. Related party transactions that we have previously entered into were not approved by independent directors, as we had no independent directors at that time.

## **SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This report contains forward-looking statements. All statements contained in this report other than statements of historical fact, including statements regarding our future results of operations and financial position, our business strategy and plans, and our objectives for future operations, are forward-looking statements. The words “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in the “Risk Factors” section. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the future events and trends discussed in this report may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. The events and circumstances reflected in the forward-looking statements may not be achieved or occur. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. We do not undertake to update any of these forward-looking statements after the date of this report or to conform these statements to actual results or revised expectations, other than required by the federal securities laws or other applicable laws.

**C. Interests of Experts and Counsel**

Not applicable.

**ITEM 8. FINANCIAL INFORMATION.**

**A. Consolidated Statements and Other Financial Information.**

See “Item 18. Financial Statements.”

**Legal Proceedings**

See “Item 4.B. Business Overview—Legal Proceedings.”

**Dividend Policy**

We have never declared or paid any cash dividends to our shareholders of our Class A Shares, and we do not anticipate or intend to pay cash dividends in the foreseeable future. Payment of cash dividends, if any, in the future will be at the discretion of our Board, in compliance with applicable legal requirements and will depend on a number of factors, including future earnings, our financial condition, operating results, contractual restrictions, capital requirements, business prospects, our strategic goals and plans to expand our business, applicable law and other factors that our Board may deem relevant.

**B. Significant Changes**

Other than as otherwise described in this Annual Report on Form 20-F and as set forth below, no significant change has occurred in our operations since the date of our financial statements included in this Annual Report on Form 20-F.

**ITEM 9. THE OFFER AND LISTING**

**A. Offer and Listing Details**

Our Class A Shares are currently traded on the Nasdaq Capital Market under the symbols “YAAS”.

**B. Plan of Distribution**

Not applicable.

**C. Markets**

Our Class A Shares are listed on the Nasdaq Capital Market.

**D. Selling Shareholders**

Not applicable.

**E. Dilution**

Not applicable.

**F. Expenses of the Issue**

Not applicable.

## ITEM 10. ADDITIONAL INFORMATION

### A. Share Capital

Not applicable.

### B. Articles of Association

A copy of our Fifth Amended and Restated Memorandum and Articles of Association is attached as Exhibit 1.1 to this Annual Report. Other than as disclosed below, the information called for by this Item is set forth in Exhibit 1.1 to this Annual Report and is incorporated by reference into this Annual Report.

### C. Material Contracts

We have not entered into any material contracts other than in the ordinary course of business and other than those described in Item 4. “Information on Our Company,” Item 7B “Major Shareholders and Related Party Transactions – Related Party Transactions” or elsewhere in this Annual Report.

### D. Exchange Controls

Under existing PRC foreign exchange regulations, payment of current account items, such as profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the State Administration of Foreign Exchange, or the SAFE, by complying with certain procedural requirements. Therefore, our PRC subsidiaries are able to pay dividends in foreign currencies to us without prior approval from SAFE, subject to the condition that the remittance of such dividends outside of the PRC complies with certain procedures under PRC foreign exchange regulations, such as the overseas investment registrations by our shareholders or the ultimate shareholders of our corporate shareholders who are PRC residents. Approval from, or registration with, appropriate government authorities is, however, required where the RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may also at its discretion restrict access in the future to foreign currencies for current account transactions. Current PRC regulations permit our PRC subsidiaries to pay dividends to the Company only out of their accumulated profits, if any, determined in accordance with Chinese accounting standards and regulations. Any remittances of dividends to residents of the United States and to other non-resident holders are, however, subject to withholding tax.

### E. Taxation.

#### MATERIAL TAX CONSEQUENCES APPLICABLE TO U.S. HOLDERS OF OUR ORDINARY SHARES

The following sets forth the material Cayman Islands, Chinese and U.S. federal income tax consequences related to an investment in our Class A Shares. It is directed to U.S. Holders (as defined below) of our ordinary shares and is based upon laws and relevant interpretations thereof in effect as of the date of this report, all of which are subject to change. This description does not deal with all possible tax consequences relating to an investment in our ordinary shares, such as the tax consequences under state, local and other tax laws.

The following brief description applies only to U.S. Holders (defined below) that hold ordinary shares as capital assets and that have the U.S. dollar as their functional currency. This brief description is based on the tax laws of the United States in effect as of the date of this report and on U.S. Treasury regulations in effect or, in some cases, proposed, as of the date of this report, as well as judicial and administrative interpretations thereof available on or before such date. All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below.

The brief description below of the U.S. federal income tax consequences to “U.S. Holders” will apply to you if you are a beneficial owner of shares and you are, for U.S. federal income tax purposes,

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a court within the United States and the control of one or more U.S. persons for all substantial decisions or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

**WE URGE POTENTIAL PURCHASERS OF OUR SHARES TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF OUR SHARES.**

**Generally**

We are a tax-exempt company incorporated in the Cayman Islands. Our company's subsidiary in the PRC and Hong Kong are subject to the income tax laws of the PRC and Hong Kong.

***People's Republic of China Enterprise Taxation***

Under the PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside the PRC with "de facto management bodies" within the PRC is considered a "resident enterprise" for PRC enterprise income tax purposes and is generally subject to a uniform 25% enterprise income tax rate on its worldwide income. Under the implementation rules to the EIT Law, a "de facto management body" is defined as a body that has material and overall management and control over the manufacturing and business operations, personnel and human resources, finances and properties of an enterprise.

Our PRC subsidiary are companies incorporated under PRC law and, as such, are subject to PRC enterprise income tax on their taxable income in accordance with the relevant PRC income tax laws. Pursuant to the EIT Law, which became effective on January 1, 2008, a uniform 25% enterprise income tax rate is generally applicable to both foreign-invested enterprises and domestic enterprises, except where a special preferential rate applies. The enterprise income tax is calculated based on the entity's global income as determined under PRC tax laws and accounting standards.

In addition, the SAT Circular 82 issued by the SAT in April 2009 specifies that certain offshore incorporated enterprises controlled by PRC enterprises or PRC enterprise groups will be classified as PRC resident enterprises if the following are located or resident in the PRC: senior management personnel and departments that are responsible for daily production, operation and management; financial and personnel decision making bodies; key properties, accounting books, company seal, minutes of board meetings and shareholders' meetings; and half or more of the senior management or directors having voting rights. Further to SAT Circular 82, the SAT issued the SAT Bulletin 45, which took effect in September 2011 and was amended in June, 2018, to provide more guidance on the implementation of SAT Circular 82. SAT Bulletin 45 provides for procedures and administration details of determination on resident status and administration on post-determination matters. We are a company incorporated outside the PRC. As a holding company, its key assets are its ownership interests in its subsidiaries, and its key assets are located, and its records (including the resolutions of its Board of Directors and the resolutions of its shareholders) are maintained, outside the PRC. As such, we do not believe that we meet all of the conditions above or are PRC resident enterprises for PRC tax purposes. For the same reasons, we believe our other entities outside of China are not PRC resident enterprises either. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body." There can be no assurance that the PRC government will ultimately take a view that is consistent with us. If the PRC tax authorities determine that our Cayman Islands holding company is a PRC resident enterprise for PRC enterprise income tax purposes, a number of unfavorable PRC tax consequences could follow. One example is that a 10% withholding tax would be imposed on dividends we pay to our non-PRC enterprise shareholders and with respect to gains derived by our non-PRC enterprise shareholders from transferring our shares and potentially a 20% of withholding tax would be imposed on dividends we pay to our non-PRC individual shareholders and with respect to gains derived by our non-PRC individual shareholders from transferring our shares. See "Risk Factors — Risks Related to Doing Business in China — We may be deemed a PRC resident enterprise for PRC Enterprise Income Tax ("EIT") purposes under the EIT Law and be subject to PRC taxation on our global income."

As a Cayman Islands holding company, we may receive dividends from our PRC subsidiary through offshore subsidiaries. The EIT Law and its implementing rules provide that dividends paid by a PRC entity to a non-resident enterprise for income tax purposes is subject to PRC withholding tax at a rate of 10%, subject to reduction by an applicable tax treaty with China. Pursuant to the Arrangement between Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Tax Evasion on Income, the withholding tax rate in respect to the payment of dividends by a PRC enterprise to a Hong Kong enterprise may be reduced to 5% from a standard rate of 10% if the Hong Kong enterprise directly holds at least 25% of the PRC enterprise. Pursuant to the Notice of the State Administration of Taxation on the Issues concerning the Application of the Dividend Clauses of Tax Agreements, or SAT Circular 81, a Hong Kong resident enterprise must meet the following conditions, among others, in order to apply the reduced withholding tax rate: (i) it must be a company; (ii) it must directly own the required percentage of equity interests and voting rights in the PRC resident enterprise; and (iii) it must have directly owned such required percentage in the PRC resident enterprise throughout the 12 months prior to receiving the dividends. In October 2019, the SAT promulgated the Administrative Measures for Entitlement to Treaty Benefits for Non-resident Taxpayers, or SAT Circular 35, which became effective on January 1, 2020. SAT Circular 60 provides that non-resident enterprises are not required to obtain pre-approval from the relevant tax authority in order to enjoy the reduced withholding tax. Instead, non-resident enterprises and their withholding agents may, by self-assessment and on confirmation that the prescribed criteria to enjoy the tax treaty benefits are met, directly apply the reduced withholding tax rate, and file necessary forms and supporting documents when performing tax filings, which will be subject to post-tax filing examinations by the relevant tax authorities. Accordingly, we may be able to benefit from the 5% withholding tax rate for the dividend, if we satisfy the conditions prescribed under SAT Circular 82 and other relevant tax rules and regulations. However, according to SAT Circular 82 and SAT Circular 35, if the relevant tax authorities consider the transactions or arrangements, we have are for the primary purpose of enjoying a favorable tax treatment, the relevant tax authorities may adjust the favorable withholding tax in the future.

### ***Cayman Islands Taxation***

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty or withholding tax applicable to us or to any holder of ordinary shares. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or after execution brought within the jurisdiction of the Cayman Islands. No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands. The Cayman Islands is a party to a double tax treaties entered with the United Kingdom in 2010 but is otherwise is not party to any double tax treaty which are applicable to any payments made by or to our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Payments of dividends and capital in respect of our ordinary shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of our ordinary shares, nor will gains derived from the disposal of our ordinary shares be subject to Cayman Islands income or corporation tax. There is no income tax treaty or convention currently in effect between the United States and the Cayman Islands.

### ***United States Federal Income Taxation***

The following does not address the tax consequences to any particular investor or to persons in special tax situations such as:

- banks;
- financial institutions;
- insurance companies;
- regulated investment companies;
- real estate investment trusts;
- broker-dealers;
- traders that elect to mark-to-market;
- U.S. expatriates;
- tax-exempt entities;

- persons liable for alternative minimum tax;
- persons holding our ordinary shares as part of a straddle, hedging, conversion or integrated transaction;
- persons that actually or constructively own 10% or more of our voting shares;
- persons who acquired our ordinary shares pursuant to the exercise of any employee share option or otherwise as consideration; or
- persons holding our ordinary shares through partnerships or other pass-through entities.

Prospective purchasers are urged to consult their own tax advisors about the application of the U.S. Federal tax rules to their particular circumstances as well as the state, local, foreign and other tax consequences to them of the purchase, ownership and disposition of our ordinary shares.

#### ***Taxation of Dividends and Other Distributions on our Ordinary Shares***

Subject to the passive foreign investment company rules discussed below, the gross amount of distributions made by us to you with respect to the ordinary shares (including the amount of any taxes withheld therefrom) will generally be includable in your gross income as dividend income on the date of receipt by you, but only to the extent that the distribution is paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). With respect to corporate U.S. Holders, the dividends will not be eligible for the dividends-received deduction allowed to corporations in respect of dividends received from other U.S. corporations.

With respect to non-corporate U.S. Holders, including individual U.S. Holders, dividends will be taxed at the lower capital gains rate applicable to qualified dividend income, provided that (1) the ordinary shares are readily tradable on an established securities market in the United States, or we are eligible for the benefits of an approved qualifying income tax treaty with the United States that includes an exchange of information program, (2) we are not a passive foreign investment company (as discussed below) for either our taxable year in which the dividend is paid or the preceding taxable year, and (3) certain holding period requirements are met. Under U.S. Internal Revenue Service authority, ordinary shares are considered for purpose of clause (1) above to be readily tradable on an established securities market in the United States if they are listed on The Nasdaq Capital Market. You are urged to consult your tax advisors regarding the availability of the lower rate for dividends paid with respect to our ordinary shares, including the effects of any change in law after the date of this report.

Dividends will constitute foreign source income for foreign tax credit limitation purposes. If the dividends are taxed as qualified dividend income (as discussed above), the amount of the dividend taken into account for purposes of calculating the foreign tax credit limitation will be limited to the gross amount of the dividend, multiplied by the reduced rate divided by the highest rate of tax normally applicable to dividends. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends distributed by us with respect to our ordinary shares will constitute “passive category income” but could, in the case of certain U.S. Holders, constitute “general category income.”

To the extent that the amount of the distribution exceeds our current and accumulated earnings and profits (as determined under U.S. federal income tax principles), it will be treated first as a tax-free return of your tax basis in your ordinary shares, and to the extent the amount of the distribution exceeds your tax basis, the excess will be taxed as capital gain. We do not intend to calculate our earnings and profits under U.S. federal income tax principles. Therefore, a U.S. Holder should expect that a distribution will be treated as a dividend even if that distribution would otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above.

### ***Taxation of Dispositions of Ordinary Shares***

Subject to the passive foreign investment company rules discussed below, you will recognize taxable gain or loss on any sale, exchange or other taxable disposition of a share equal to the difference between the amount realized (in U.S. dollars) for the share and your tax basis (in U.S. dollars) in the ordinary shares. The gain or loss will be capital gain or loss. If you are a non-corporate U.S. Holder, including an individual U.S. Holder, who has held the ordinary shares for more than one year, you will be eligible for (a) reduced tax rates of 0% (for individuals in the 10% or 15% tax brackets), (b) higher tax rates of 20% (for individuals in the 39.6% tax bracket) or (c) 15% for all other individuals. The deductibility of capital losses is subject to limitations. Any such gain or loss that you recognize will generally be treated as United States source income or loss for foreign tax credit limitation purposes.

### ***Passive Foreign Investment Company***

Based on our current and anticipated operations and the composition of our assets, we do not expect to be a passive foreign investment company, or PFIC, for U.S. federal income tax purposes for our current taxable year. Our actual PFIC status for the current taxable year ending will not be determinable until the close of such taxable year and, accordingly, there is no guarantee that we will not be a PFIC for the current taxable year. Because PFIC status is a factual determination for each taxable year which cannot be made until the close of the taxable year. A non-U.S. corporation is considered a PFIC for any taxable year if either:

- at least 75% of its gross income is passive income; or
- at least 50% of the value of its assets (based on an average of the quarterly values of the assets during a taxable year) is attributable to assets that produce or are held for the production of passive income (the “asset test”).

We will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, at least 25% (by value) of the stock.

We must make a separate determination each year as to whether we are a PFIC. As a result, our PFIC status may change from no to yes. In particular, because the value of our assets for purposes of the asset test will generally be determined based on the market price of our ordinary shares, our PFIC status will depend in large part on the market price of our ordinary shares. Accordingly, fluctuations in the market price of the ordinary shares may cause us to become a PFIC. In addition, the application of the PFIC rules is subject to uncertainty in several respects and the composition of our income and assets will be affected by how, and how quickly, we spend the cash we raise in this offering. If we are a PFIC for any year during which you hold ordinary shares, we will continue to be treated as a PFIC for all succeeding years during which you hold ordinary shares. However, if we cease to be a PFIC, you may avoid some of the adverse effects of the PFIC regime by making a “deemed sale” election with respect to the ordinary shares.

If we are a PFIC for any taxable year during which you hold ordinary shares, you will be subject to special tax rules with respect to any “excess distribution” that you receive and any gain you realize from a sale or other disposition (including a pledge) of the ordinary shares, unless you make a “mark-to-market” election as discussed below. Distributions you receive in a taxable year that are greater than 125% of the average annual distributions you received during the shorter of the three preceding taxable years or your holding period for the ordinary shares will be treated as an excess distribution. Under these special tax rules:

- the excess distribution or gain will be allocated ratably over your holding period for the ordinary shares;
- the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which we were a PFIC, will be treated as ordinary income, and
- the amount allocated to each other year will be subject to the highest tax rate in effect for that year and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to years prior to the year of disposition or “excess distribution” cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the ordinary shares cannot be treated as capital, even if you hold the ordinary shares as capital assets.

A U.S. Holder of “marketable stock” (as defined below) in a PFIC may make a mark-to-market election for such stock to elect out of the tax treatment discussed above. If you make a mark-to-market election for the ordinary shares, you will include in income each year an amount equal to the excess, if any, of the fair market value of the ordinary shares as of the close of your taxable year over your adjusted basis in such ordinary shares. You are allowed a deduction for the excess, if any, of the adjusted basis of the ordinary shares over their fair market value as of the close of the taxable year. However, deductions are allowable only to the extent of any net mark-to-market gains on the ordinary shares included in your income for prior taxable years. Amounts included in your income under a mark-to-market election, as well as gain on the actual sale or other disposition of the ordinary shares, are treated as ordinary income. Ordinary loss treatment also applies to the deductible portion of any mark-to-market loss on the ordinary shares, as well as to any loss realized on the actual sale or disposition of the ordinary shares, to the extent that the amount of such loss does not exceed the net mark-to-market gains previously included for such ordinary shares. Your basis in the ordinary shares will be adjusted to reflect any such income or loss amounts. If you make a valid mark-to-market election, the tax rules that apply to distributions by corporations which are not PFICs would apply to distributions by us, except that the lower applicable capital gains rate for qualified dividend income discussed above under “Taxation of Dividends and Other Distributions on our Ordinary Shares” generally would not apply.

The mark-to-market election is available only for “marketable stock”, which is stock that is traded in other than de minimis quantities on at least 15 days during each calendar quarter (“regularly traded”) on a qualified exchange or other market (as defined in applicable U.S. Treasury regulations), including The Nasdaq Capital Market. If the ordinary shares are regularly traded on The Nasdaq Capital Market and if you are a holder of ordinary shares, the mark-to-market election would be available to you were we to be or become a PFIC.

Alternatively, a U.S. Holder of stock in a PFIC may make a “qualified electing fund” election with respect to such PFIC to elect out of the tax treatment discussed above. A U.S. Holder who makes a valid qualified electing fund election with respect to a PFIC will generally include in gross income for a taxable year such holder’s pro rata share of the corporation’s earnings and profits for the taxable year. However, the qualified electing fund election is available only if such PFIC provides such U.S. Holder with certain information regarding its earnings and profits as required under applicable U.S. Treasury regulations. We do not currently intend to prepare or provide the information that would enable you to make a qualified electing fund election. If you hold ordinary shares in any year in which we are a PFIC, you will be required to file U.S. Internal Revenue Service Form 8621 regarding distributions received on the ordinary shares and any gain realized on the disposition of the ordinary shares.

You are urged to consult your tax advisors regarding the application of the PFIC rules to your investment in our ordinary shares and the elections discussed above.

### ***Information Reporting and Backup Withholding***

Dividend payments with respect to our ordinary shares and proceeds from the sale, exchange or redemption of our ordinary shares may be subject to information reporting to the U.S. Internal Revenue Service and possible U.S. backup withholding at a current rate of 28%. Backup withholding will not apply, however, to a U.S. Holder who furnishes a correct taxpayer identification number and makes any other required certification on U.S. Internal Revenue Service Form W-9 or who is otherwise exempt from backup withholding. U.S. Holders who are required to establish their exempt status generally must provide such certification on U.S. Internal Revenue Service Form W-9. U.S. Holders are urged to consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against your U.S. federal income tax liability, and you may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the U.S. Internal Revenue Service and furnishing any required information. We do not intend to withhold taxes for individual shareholders.

Under the Hiring Incentives to Restore Employment Act of 2010, certain United States Holders are required to report information relating to ordinary shares, subject to certain exceptions (including an exception for ordinary shares held in accounts maintained by certain financial institutions), by attaching a complete Internal Revenue Service Form 8938, Statement of Specified Foreign Financial Assets, with their tax return for each year in which they hold ordinary shares. U.S. Holders are urged to consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

#### **F. Dividends and Paying Agents**

Not applicable.

#### **G. Statement by Experts**

Not applicable.

#### **H. Documents on Display**

We are subject to certain information reporting requirements of the Exchange Act, applicable to foreign private issuers and under those requirements will file reports with the SEC. The SEC maintains an internet site at <http://www.sec.gov> that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. Our filings with the SEC will also be available to the public through the SEC's website at [www.sec.gov](http://www.sec.gov).

As a foreign private issuer, we are exempt from the rules under the Exchange Act related to the furnishing and content of proxy statements, and our officers, directors and principal shareholders will be exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we are not required under the Exchange Act to file annual, quarterly and current reports and financial statements with the SEC as frequently or as promptly as U.S. domestic companies whose securities are registered under the Exchange Act. However, we will file with the SEC, within 120 days after the end of each fiscal year, or such applicable time as required by the SEC, an annual report on Form 20-F containing financial statements audited by an independent registered public accounting firm, and may submit to the SEC, on a Form 6-K, unaudited quarterly financial information.

#### **I. Subsidiary Information.**

Not applicable.

### **ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

#### **Interest Rate Risk**

Our exposure to interest rate risk primarily relates to excess cash invested in short-term instruments with original maturities of less than a year and long-term held-to-maturity securities with maturities of greater than a year. Investments in both fixed rate and floating rate interest earning instruments carry a degree of interest rate risk. Fixed rate securities may have their fair market value adversely impacted due to a rise in interest rates, while floating rate securities may produce less income than expected if interest rates fall. Due in part to these factors, our future investment income may fall short of expectations due to changes in interest rates, or we may suffer losses in principal if we have to sell securities that have declined in market value due to changes in interest rates. We have not been, and do not expect to be, exposed to material interest rate risks, and therefore have not used any derivative financial instruments to manage our interest risk exposure.

#### **Foreign Exchange Risk**

Our functional currency is the RMB, and our financial statements are presented in U.S. dollar. The RMB has appreciated against the U.S. dollar, reaching a three-year high in May 2021. The appreciation in the value of the RMB relative to the U.S. dollar may affect our financial results reported in the U.S., dollar terms without giving effect to any underlying change in our business or results of operation.

Currently, all of our assets, liabilities, revenues and costs are denominated in RMB. However, we may generate revenues denominated in U.S. dollar, and our offering will be in U.S. dollar. Therefore, a portion of our cash and short-term financial assets may be denominated in U.S. dollar in the future. Our exposure to foreign exchange risk will primarily relate to those financial assets denominated in U.S. dollars. Any significant revaluation of RMB against U.S. dollar may materially affect our earnings and financial position, and the value of, and any dividends payable on, our ordinary shares in U.S. dollars in the future. See "Risk Factors — Risks Related to Doing Business in China — Fluctuations in exchange rates could adversely affect our business and the value of our securities.

## **ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES**

### **A. Debt Securities.**

Not applicable.

### **B. Warrants and rights.**

Not applicable.

### **C. Other Securities.**

Not applicable.

### **D. American Depositary Shares**

Not applicable.

## **PART II**

## **ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES**

None.

## **ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS**

There are no material modifications to the rights of security holders.

## **ITEM 15. CONTROLS AND PROCEDURES**

### **(a) Disclosure Controls and Procedures**

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of September 30, 2025, or the Evaluation Date. Based on such evaluation, those officers have concluded that, as of the Evaluation Date, our disclosure controls and procedures are not effective in recording, processing, summarizing and reporting, on a timely basis, information required to be included in periodic filings under the Exchange Act and that such information is accumulated and communicated to management, including our principal executive and financial officers, as appropriate to allow timely decisions regarding required disclosure. In particular, we identified material weaknesses in internal control over financial reporting, as discussed below.

### **(b) Management's Annual Report on Internal Control over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) under the Exchange Act. Our management conducted an assessment of the effectiveness of our internal control over financial reporting as of September 30, 2025 based on the criteria set forth in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework).

As defined in Regulation 12b-2 under the Exchange Act, a “material weakness” is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented, or detected on a timely basis.

In preparing our consolidated financial statements as of and for the year ended September 30, 2025, we identified material weaknesses in our internal control over financial reporting, as defined in the standards established by the PCAOB and other control deficiencies. The material weaknesses that have been identified relate to (i) lack of sufficient and competent financial reporting and accounting personnel with appropriate knowledge of U.S. GAAP and reporting requirements set forth by the SEC to address complex U.S. GAAP technical accounting issues, and to prepare and review consolidated financial statements and related disclosures in accordance with U.S. GAAP and SEC reporting requirements; (ii) lack of formal internal control policies and internal independent supervision functions to establish formal risk assessment process and internal control framework; and (iii) lack of sufficient controls designed and implemented in IT environment and IT general control activities, which are mainly associated with areas of logical access management, change management as well as cyber security management.

As required by Section 404 of the Sarbanes-Oxley Act and related rules as promulgated by the SEC, our management assessed the effectiveness of the internal control over financial reporting as of September 30, 2025. Based on the assessment, our management has concluded that we did not maintain effective internal control over financial reporting due to the material weaknesses in internal control over financial reporting identified above.

**(c) Attestation Report of the Registered Public Accounting Firm**

This Annual Report on Form 20-F does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting due to an exemption for emerging growth companies provided in the JOBS Act.

**(d) Changes in Internal Control over Financial Reporting**

During the year ended September 30, 2025, we have implemented measures to remediate identified material weaknesses, as described above. We have taken and planned to continue to take remedial measures, including hiring Serious Financial Management & Consulting (Shenzhen) Co. Ltd as our consultant which has the requisite training and experience in the preparation of financial statements in compliance with applicable SEC requirements, and implementing regular and continuous U.S. GAAP accounting and financial reporting training programs for our accounting and financial reporting personnel. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal controls over financial reporting, we will need to expend significant resources and provide significant management oversight. We plan to adopt measures to improve our internal file management procedures and an effective recognition procedure by (i) hiring additional finance and accounting staff with qualifications and work experiences in U.S. GAAP and SEC reporting requirements to formalize and strengthen key internal controls over financial reporting; (ii) design and formalizing internal control policies, ensuring clear segregation of duties, and implement a structured risk assessment process. Developing a comprehensive internal control framework that includes regular monitoring, clear accountability, and periodic reviews to enhance transparency and mitigate potential risks; and (iii) regularly conducting checks on the IT software we utilize to ensure its proper functionality, and arranging training sessions for our IT staff. Other than such measures, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

With the completion of our listing in the US, management continues to identify and improve our internal control over financial reporting, in the context of which we have identified and started to solve these material weaknesses in our internal control over financial reporting related to lack of segregation of duties within account processes, and systems, inadequate documentation to evidence the operation of controls, inconsistent procedures and approvals, lack of periodic user access reviews and insufficient written policies and procedures for accounting, IT and financial reporting and record keeping.

**ITEM 16. [RESERVED]**

Not applicable.

**ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT**

Our Audit Committee is currently composed of Edward C. Ye, Richard Wee Yong Seow, and Qing Gao, with Qing Gao serving as Chair. Our Board has determined that each committee member is financially literate and meets the independence requirements for directors, including the heightened independence standards for members of the Audit Committee under Rule 10A-3 of the Exchange Act. Our Board has determined that Edward C. Ye and Qing Gao are “financially sophisticated” within the meaning of the Nasdaq Rules and qualify as “financial expert” as defined by Rule 10A-3 of the Exchange Act.

**ITEM 16B. CODE OF ETHICS**

Our Board has adopted a Code of Business Conduct and Ethics applicable to all of our directors and employees, including our Chief Executive Officer, Chief Financial Officer, controller or principal accounting officer, or other persons performing similar functions, which is a “code of ethics” as defined in Item 16B of Form 20-F promulgated by the SEC. The full text of our code of business conduct and ethics is available under the Corporate Governance section of our website at <https://www.ir.youxin.cloud/>. In addition, we intend to post on our website all disclosures that are required by law or the Nasdaq Rules concerning any amendments to, or waivers from, any provision of the code. The reference to our website address does not constitute incorporation by reference of the information contained at or available through our website, and you should not consider it to be a part of this Annual Report on Form 20-F.

**ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES**

Marcum Asia CPAs LLP, an independent registered public accounting firm, has audited our consolidated financial statements as of September 30, 2025 and 2024 and each of the years in the two-year period ended September 30, 2025.

The following table provides information regarding fees paid or to be paid by us to Marcum Asia CPAs LLP, for all services, including audit services, for the years ended September 30, 2025, and 2024:

(USD)	Year Ended September 30,	
	2025	2024
Audit fees (1)	228,185	210,000

(1) “Audit fees” represents the aggregate fees billed or to be billed for each of the fiscal years listed for professional services rendered by our principal auditor for the audit of our annual financial statements or services that in connection with statutory and regulatory filings or engagements for those fiscal years

**ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES**

Not applicable.

**ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS**

Not applicable.

**ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT**

Not applicable.

**ITEM 16G. CORPORATE GOVERNANCE**

As a foreign private issuer, we are permitted, and intend, to follow certain home country corporate governance practices instead of those otherwise required by the Nasdaq for domestic U.S. issuers. Following our home country governance practices as opposed to the requirements that would otherwise apply to a U.S. company listed on The Nasdaq Global Market may provide less protection to you than what is accorded to investors under the Nasdaq Rules applicable to domestic U.S. issuers.

Accordingly, we have elected to follow the provisions, rather than the Nasdaq Rules, with respect to the following requirements:

- *Quorum.* While the Nasdaq Rules require that the quorum for purposes of any meeting of the holders of a listed Company's common voting stock, as specified in the Company's bylaws, be no less than 33 1/3% of the Company's outstanding issued and outstanding share capital, under Cayman Islands law, a company is entitled to determine in its articles of association the number of shareholders and percentage of holdings required for a quorum at a shareholders meeting. Our amended and restated articles of association provides that a quorum for a general meeting consists of any one or more persons holding or representing by proxy not less than one-third of our outstanding shares carrying the right to vote at such general meeting.

**ITEM 16H. MINE SAFETY DISCLOSURE**

Not applicable.

**ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS**

Not applicable.

**ITEM 16J. INSIDER TRADING POLICIES**

(a) We have adopted insider trading policies and procedures governing the purchase, sale, and other dispositions of our securities by directors, senior management, and employees that are reasonably designed to promote compliance with applicable insider trading laws, rules and regulations, and listing standards applicable to us.

(b) Please see our Insider Trading Policy of the Company, which has been filed as Exhibit 11.2 to this annual report.

**ITEM 16K. CYBERSECURITY**

**Risk management and strategy**

As of the date of this annual report, we have not experienced any cybersecurity incidents that have materially affected or are reasonably likely to materially affect us, our business strategy, results of operations, or financial condition; such risks are referred to below as "material risks from cybersecurity threats".

We identify, assess and manage any material risks from cybersecurity threats through the following countermeasures:

- Cybersecurity threat defense system that addresses both internal and external threats;
- Network, host and application security; and
- Sensitive information protection methods, including:
  - Technical safeguards;
  - Procedural requirements;
  - Monitoring program on our corporate network;
  - Continuous testing of our security posture both internally and with outside vendors;
  - Incident response program;
  - Security system effectiveness reviews with reference to applicable security standards; and
  - Regular cybersecurity awareness training for employees.

Our abovementioned countermeasures for identifying, assessing and managing any material risks from cybersecurity threats, have been integrated into our overall risk management system.

We do not engage any assessors, consultants, auditors, or other third parties in connection with any of our Cybersecurity Risk Management Processes.

### **Governance**

The audit committee of our board of directors is ultimately responsible for the oversight of risks from cybersecurity threats.

Our board of directors and its audit committee have delegated an important leadership role in assessing and managing any material risks from cybersecurity threats to Shaozhang Lin. He is responsible for ensuring that the cybersecurity team has processes in place designed to identify and evaluate cybersecurity risks to which the company is exposed, implement processes and programs to manage cybersecurity risks and mitigate cybersecurity incidents. Our cybersecurity team is responsible for identifying, considering and assessing material cybersecurity risks on an ongoing basis, establishing processes to ensure that such potential cybersecurity risk exposures are monitored, putting in place appropriate mitigation measures and maintaining cybersecurity programs. Our cybersecurity programs are under the direction of Shaozhang Lin who receives reports from our cybersecurity team and monitors the prevention, detection, mitigation, and remediation of cybersecurity incidents. Our cybersecurity team has relevant academic backgrounds and possesses extensive knowledge in cybersecurity risk management. Our cybersecurity team, regularly update and engages in discussions with Shaozhang Lin on the company's cybersecurity programs, material cybersecurity risks, and mitigation strategies.

## PART III

## ITEM 17. FINANCIAL STATEMENTS

We have elected to provide financial statements and related information pursuant to Item 18.

## ITEM 18. FINANCIAL STATEMENTS

The financial statements and the related notes required by this Item are included in this Annual Report on Form 20-F beginning on page F-1.

## ITEM 19. EXHIBITS.

Exhibit No.	Description
1.1*	<a href="#">Memorandum and Articles of Association (incorporated by reference to Exhibit 3.1 of our Registration Statement on Form F-1 (File No. 333-274404) filed with the Securities and Exchange Commission on September 7, 2023)</a>
1.2*	<a href="#">Second Amended and Restated Memorandum of Association (incorporated by reference to Exhibit 3.2 of our Registration Statement on Form F-1 (File No. 333-274404) filed with the Securities and Exchange Commission on September 7, 2023)</a>
1.3*	<a href="#">Second Amended and Restated Articles of Association (incorporated by reference to Exhibit 3.3 of our Registration Statement on Form F-1 (File No. 333-274404) filed with the Securities and Exchange Commission on September 7, 2023)</a>
1.4*	<a href="#">Third Amended and Restated Memorandum of Association (incorporated by reference to Exhibit 3.1 of our Report of Foreign Private Issuer on Form 6-K filed with the Securities and Exchange Commission on August 25, 2025)</a>
1.5*	<a href="#">Third Amended and Restated Articles of Association (incorporated by reference to Exhibit 3.2 of our Report of Foreign Private Issuer on Form 6-K filed with the Securities and Exchange Commission on August 25, 2025)</a>
1.6**	<a href="#">Fourth Amended and Restated Memorandum of Association</a>
1.7**	<a href="#">Fourth Amended and Restated Articles of Association</a>
1.8**	<a href="#">Fifth Amended and Restated Memorandum of Association</a>
1.9**	<a href="#">Fifth Amended and Restated Articles of Association</a>
2.1*	<a href="#">Registrant's Specimen Certificate for Ordinary Shares (incorporated by reference to Exhibit 4.1 of our Registration Statement on Form F-1 (File No. 333-274404) filed with the Securities and Exchange Commission on September 7, 2023)</a>
2.2**	<a href="#">Description of Securities</a>
4.1*	<a href="#">Employment Agreement with Shaozhang Lin (incorporated by reference to Exhibit 10.1 of our Registration Statement on Form F-1 (File No. 333-274404) filed with the Securities and Exchange Commission on September 7, 2023)</a>
4.2*	<a href="#">Employment Agreement with Xirui Guo (incorporated by reference to Exhibit 10.2 of our Registration Statement on Form F-1 (File No. 333-274404) filed with the Securities and Exchange Commission on September 7, 2023)</a>
4.3*	<a href="#">English translation of the Guangxi Yousen Share Transfer Agreement between Shaozhang Lin, Jinhou Sun, Weizhao Feng and Guangzhou Youxin Technology Co., Ltd. (incorporated by reference to Exhibit 10.3 of our Registration Statement on Form F-1 (File No. 333-274404) filed with the Securities and Exchange Commission on September 7, 2023)</a>
4.4*	<a href="#">English translation of the Guangxi Yousen Share Transfer Agreement Guangzhou Youxin Technology Co., Ltd. and Shaofen Lin (incorporated by reference to Exhibit 10.4 of our Registration Statement on Form F-1 (File No. 333-274404) filed with the Securities and Exchange Commission on September 7, 2023)</a>
4.5*	<a href="#">English translation of Share Transfer Agreement between Shareholders of Guangzhou Youxin Technology Co., Ltd. with WFOE (incorporated by reference to Exhibit 10.5 of our Registration Statement on Form F-1 (File No. 333-274404) filed with the Securities and Exchange Commission on September 7, 2023)</a>
4.6*	<a href="#">English translation of Share Transfer Agreement between Shareholders of Guangzhou Youxin Technology Co., Ltd. with Songshuibang Smart Technology Co., Ltd. (incorporated by reference to Exhibit 10.6 of our Registration Statement on Form F-1 (File No. 333-274404) filed with the Securities and Exchange Commission on September 7, 2023)</a>
4.7*	<a href="#">English translation of Service Agreement with Tencent Cloud Computing (Beijing) Co., Ltd. (incorporated by reference to Exhibit 10.7 of our Registration Statement on Form F-1 (File No. 333-274404) filed with the Securities and Exchange Commission on September 7, 2023)</a>
4.8*	<a href="#">English translation of Service Agreement with Ali Cloud Computing Co., Ltd. (incorporated by reference to Exhibit 10.8 of our Registration Statement on Form F-1 (File No. 333-274404) filed with the Securities and Exchange Commission on September 7, 2023)</a>
4.9*	<a href="#">English translation of Service Agreement with CICC Financial Technology Changsha Co., Ltd. (incorporated by reference to Exhibit 10.9 of our Registration Statement on Form F-1 (File No. 333-274404) filed with the Securities and Exchange Commission on September 7, 2023)</a>
4.10*	<a href="#">English translation of Service Agreement with Beijing Jiuji Communication Technology Co., Ltd. (incorporated by reference to Exhibit 10.10 of our Registration Statement on Form F-1 (File No. 333-274404) filed with the Securities and Exchange Commission on September 7, 2023)</a>
4.11*	<a href="#">Form of Indemnification Agreement between the Registrant and its directors and officers (incorporated by reference to Exhibit 10.11 of our Registration Statement on Form F-1 (File No. 333-274404) filed with the Securities and Exchange Commission on September 7, 2023)</a>
4.12*	<a href="#">English translation of Cooperation Agreement for Software Development between Guangzhou Youxin Technology Co., Ltd. and Guangzhou Huitou Information Technology Co., Ltd. (incorporated by reference to Exhibit 10.12 of our Registration Statement on Form F-1 (File No. 333-274404) filed with the Securities and Exchange Commission on September 7, 2023)</a>
4.13*	<a href="#">English translation of contract for the Sale of Dealer Management System between Guangzhou Youxin Technology Co., Ltd. and top customer (incorporated by reference to Exhibit 10.13 of our Registration Statement on Form F-1 (File No. 333-274404) filed with the Securities and Exchange Commission on September 7, 2023)</a>
4.14*	<a href="#">English translation of contract for ordering Youxin Social New Retail System Technical Services to a customer (incorporated by reference to Exhibit 10.14 of our Registration Statement on Form F-1 (File No. 333-274404) filed with the Securities and Exchange Commission on September 7, 2023)</a>
4.15*	<a href="#">Underwriting Agreement dated December 19, 2024 (incorporated by reference to Exhibit 1.1 of our Report of Foreign Private Issuer on Form 6-K (File No. 001-42442) filed with the Securities and Exchange Commission on December 26, 2024)</a>
4.16*	<a href="#">Representative's Warrant (incorporated by reference to Exhibit 4.1 of our Report of Foreign Private Issuer on Form 6-K (File No. 001-42442) filed with the Securities and Exchange Commission on December 26, 2024)</a>
4.17**	<a href="#">Supplemental Employment Agreement with Shaozhang Lin dated December 17, 2025</a>
4.18**	<a href="#">Waiver and Release of Compensation Claims with Shaozhang Lin dated December 17, 2025</a>
4.19**	<a href="#">Supplemental Employment Agreement with Xirui Guo dated December 17, 2025</a>
4.20**	<a href="#">Waiver and Release of Compensation Claims with Xirui Guo dated December 17, 2025</a>
8.1**	<a href="#">List of Subsidiaries</a>
11.1*	<a href="#">Code of Business Conduct and Ethics of the Registrant (incorporated by reference to Exhibit 14.1 of our Registration Statement on Form F-1 (File No. 333-274404) filed with the Securities and Exchange Commission on September 7, 2023)</a>
11.2*	<a href="#">Insider Trading Policy of the Company (incorporated by reference to Exhibit 11.2 of our Annual Report on Form 20-F filed with the Securities and Exchange Commission on January 30, 2025)</a>
12.1**	<a href="#">Certification of the Chief Executive Officer pursuant to rule 13a-14(a) of the Securities Exchange Act of 1934</a>
12.2**	<a href="#">Certification of the Chief Financial Officer pursuant to rule 13a-14(a) of the Securities Exchange Act of 1934</a>

13.1**	<a href="#">Certification of the Chief Executive Officer pursuant to 18 U.S.C. 1350</a>
13.2**	<a href="#">Certification of the Chief Financial Officer pursuant to 18 U.S.C. 1350</a>
15.1**	<a href="#">Consent of Marcum Asia CPAs LLP</a>
97.1*	<a href="#">Compensation Recovery Policy of the Company (incorporated by reference to Exhibit 97.1 of our Annual Report on Form 20-F filed with the Securities and Exchange Commission on January 30, 2025)</a>
101.INS**	Inline XBRL Instance Document.
101.SCH**	Inline XBRL Taxonomy Extension Schema Document.
101.CAL**	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF**	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB**	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE**	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104**	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

\* Previously filed

\*\* Filed herewith

**SIGNATURES**

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on Form 20-F filed on its behalf.

**YOUXIN TECHNOLOGY LTD**

Date: January 28, 2026

By: /s/ Shaozhang Lin

Shaozhang Lin  
Chief Executive Officer

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Shareholders and Board of Directors  
of Youxin Technology Ltd

**Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Youxin Technology Ltd (the “Company”) as of September 30, 2025 and 2024, the related consolidated statements of operations and comprehensive loss, changes in shareholders’ equity (deficit), and cash flows for each of the years in the three-year period ended September 30, 2025, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2025 and 2024, and the results of its operations and its cash flows for each of the years in the three-year period ended September 30, 2025, in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Marcum Asia CPAs LLP

Marcum Asia CPAs LLP

We have served as the Company’s auditor since 2022.

New York, New York

January 28, 2026

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**YOUXIN TECHNOLOGY LTD**  
**CONSOLIDATED BALANCE SHEETS**  
**AS OF SEPTEMBER 30, 2025 and 2024**  
(Expressed in U.S. dollars, except for the number of shares)

	September 30, 2025	September 30, 2024
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 9,912,327	\$ 18,372
Restricted cash	24,298	24,649
Accounts receivable, net	213,772	176,607
Deferred contract costs	13,103	-
Amount due from a related party	17,486	-
Prepaid expenses and other current assets	295,559	122,676
<b>Total current assets</b>	<b>10,476,545</b>	<b>342,304</b>
<b>NON-CURRENT ASSETS</b>		
Property and equipment, net	2,518	3,948
Deferred offering costs	-	478,108
Operating lease right-of-use assets	78,862	123,170
Other non-current assets	10,457	10,608
Prepayment for acquisition	210,704	-
<b>Total non-current assets</b>	<b>302,541</b>	<b>615,834</b>
<b>TOTAL ASSETS</b>	<b>\$ 10,779,086</b>	<b>\$ 958,138</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Short-term bank loan	\$ 318,865	\$ 323,472
Accounts payable	34,190	31,350
Contract liabilities	30,024	215,768
Amount due to related parties	-	1,067,119
Operating lease liabilities - current	46,190	42,277
Payroll payable	1,134,532	1,869,436
Warrant liabilities	902,287	-
Accrued expenses and other current liabilities	87,439	40,299
<b>Total current liabilities</b>	<b>2,553,527</b>	<b>3,589,721</b>
Operating lease liabilities - non-current	35,306	82,674
<b>Total non-current liabilities</b>	<b>35,306</b>	<b>82,674</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 2,588,833</b>	<b>\$ 3,672,395</b>
<b>COMMITMENTS AND CONTINGENCIES (NOTE 17)</b>		
<b>SHAREHOLDERS' EQUITY (DEFICIT)</b>		
Class A ordinary shares, (\$0.008 par value, 5,000,000 shares authorized, 2,325,550 and 278,809 shares issued and outstanding as of September 30, 2025 and 2024, respectively) (1)	18,604	2,230
Class B ordinary shares, (\$0.0001 par value, 100,000,000 shares authorized, 8,945,307 shares issued and outstanding as of September 30, 2025 and 2024, respectively)	895	895
Share subscription receivables	-	(3,125)
Additional paid-in capital	32,614,603	12,154,929
Accumulated deficit	(25,065,907)	(15,419,765)
Accumulated other comprehensive income	622,058	550,579
<b>Total shareholders' equity (deficit)</b>	<b>8,190,253</b>	<b>(2,714,257)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>	<b>\$ 10,779,086</b>	<b>\$ 958,138</b>

(1) All per share amounts and shares outstanding for all periods have been retroactively adjusted to reflect the 80-for-1 reverse share split for Class A ordinary share of Youxin Technology Ltd, which was effective on September 30, 2025.

**The accompanying notes are an integral part of these consolidated financial statements.**

**YOUXIN TECHNOLOGY LTD**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2025, 2024 and 2023**  
(Expressed in U.S. dollars, except for the number of shares)

	Years Ended September 30,		
	2025	2024	2023
<b>REVENUES</b>	\$ 539,474	\$ 521,241	\$ 895,978
<b>COST OF REVENUES</b>	(359,509)	(179,648)	(352,676)
<b>GROSS PROFIT</b>	179,965	341,593	543,302
<b>OPERATING EXPENSES</b>			
Selling expenses	(130,792)	(94,481)	(225,926)
General and administrative expenses	(2,746,298)	(496,006)	(589,372)
Research and development expenses	(158,190)	(1,139,922)	(2,152,602)
<b>Total operating expenses</b>	<b>(3,035,280)</b>	<b>(1,730,409)</b>	<b>(2,967,900)</b>
<b>NET LOSS FROM OPERATIONS</b>	<b>(2,855,315)</b>	<b>(1,388,816)</b>	<b>(2,424,598)</b>
<b>OTHER (EXPENSE) INCOME</b>			
Other income	539	134,802	99,053
Other expense	(24,271)	(21,435)	(17,693)
Loss from investments	(2,736,514)	-	-
Issuance costs allocated to warrant liabilities	(876,282)	-	-
Loss on issuance of warrant liabilities	(5,802,241)	-	-
Change in fair value of warrant liabilities	2,647,942	-	-
<b>Total other (expense) income, net</b>	<b>(6,790,827)</b>	<b>113,367</b>	<b>81,360</b>
<b>NET LOSS BEFORE TAXES</b>	<b>(9,646,142)</b>	<b>(1,275,449)</b>	<b>(2,343,238)</b>
Income tax expense	-	(5,212)	-
<b>NET LOSS</b>	<b>(9,646,142)</b>	<b>(1,280,661)</b>	<b>(2,343,238)</b>
Accretion to redeemable preferred equity	-	-	(326,837)
<b>Net loss attributable to ordinary shareholders</b>	<b>(9,646,142)</b>	<b>(1,280,661)</b>	<b>(2,670,075)</b>
<b>NET LOSS</b>	<b>(9,646,142)</b>	<b>(1,280,661)</b>	<b>(2,343,238)</b>
<b>Other comprehensive income (loss)</b>			
Foreign currency translation income (loss)	71,479	(72,056)	(212,292)
<b>TOTAL COMPREHENSIVE LOSS</b>	<b>\$ (9,574,663)</b>	<b>\$ (1,352,717)</b>	<b>\$ (2,555,530)</b>
Basic and diluted loss per share (1)(2)	\$ (1.04)	\$ (0.14)	\$ (0.29)
Weighted average number of ordinary shares outstanding - basic and diluted (1) (2)	9,311,589	9,224,116	9,224,116

(1) All per share amounts and shares outstanding for all periods have been retroactively adjusted to reflect the 80-for-1 reverse share split for Class A ordinary share of Youxin Technology Ltd, which was effective on September 30, 2025.

(2) Giving retroactive effect to the issuance of ordinary shares effected on April 21, 2023.

**The accompanying notes are an integral part of these consolidated financial statements.**

**YOUXIN TECHNOLOGY LTD**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' (DEFICIT) EQUITY**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2025, 2024 and 2023**  
(Expressed in U.S. dollars, except for the number of shares)

	Class A		Class B		Share subscription receivables	Additional Paid-in Capital	Accumulated Deficit	Accumulated other comprehensive income	Total shareholders' (deficit) equity
	Shares (1) (2)	Amount	Shares (2)	Amount					
<b>Balance as of October 1, 2022</b>	<b>212,327</b>	<b>\$ 1,699</b>	<b>8,945,307</b>	<b>\$ 895</b>	<b>\$ (2,594)</b>	<b>\$ -</b>	<b>\$ (11,469,029)</b>	<b>\$ 834,927</b>	<b>\$ (10,634,102)</b>
Net loss	-	-	-	-	-	-	(2,343,238)	-	(2,343,238)
Accretion to redeemable preferred equity	-	-	-	-	-	-	(326,837)	-	(326,837)
Exchange redeemable preferred equity with Class A ordinary shares	66,482	531	-	-	(531)	12,154,929	-	-	12,154,929
Foreign currency translation adjustment	-	-	-	-	-	-	-	(212,292)	(212,292)
<b>Balance as of September 30, 2023</b>	<b>278,809</b>	<b>\$ 2,230</b>	<b>8,945,307</b>	<b>\$ 895</b>	<b>\$ (3,125)</b>	<b>\$ 12,154,929</b>	<b>\$ (14,139,104)</b>	<b>\$ 622,635</b>	<b>\$ (1,361,540)</b>
Net loss	-	-	-	-	-	-	(1,280,661)	-	(1,280,661)
Foreign currency translation adjustment	-	-	-	-	-	-	-	(72,056)	(72,056)
<b>Balance as of September 30, 2024</b>	<b>278,809</b>	<b>\$ 2,230</b>	<b>8,945,307</b>	<b>\$ 895</b>	<b>\$ (3,125)</b>	<b>\$ 12,154,929</b>	<b>\$ (15,419,765)</b>	<b>\$ 550,579</b>	<b>\$ (2,714,257)</b>
Net loss	-	-	-	-	-	-	(9,646,142)	-	(9,646,142)
Collection of share subscription receivable	-	-	-	-	3,125	-	-	-	3,125
Issuance of ordinary shares upon initial public offering ("IPO"), net of offering cost of \$2,900,886	28,750	230	-	-	-	7,736,012	-	-	7,736,242
Issuance of ordinary shares upon follow-on offering	267,857	2,143	-	-	-	-	-	-	2,143
Issuance of ordinary shares upon exercise of Series A Warrants	836,180	6,689	-	-	-	6,590,658	-	-	6,597,347
Issuance of ordinary shares upon exercise of Series B Warrants	913,951	7,312	-	-	-	6,133,004	-	-	6,140,316
Rounding up for reverse share split	3	-	-	-	-	-	-	-	-
Foreign currency translation adjustment	-	-	-	-	-	-	-	71,479	71,479
<b>Balance as of September 30, 2025</b>	<b>2,325,550</b>	<b>\$ 18,604</b>	<b>8,945,307</b>	<b>\$ 895</b>	<b>\$ -</b>	<b>\$ 32,614,603</b>	<b>\$ (25,065,907)</b>	<b>\$ 622,058</b>	<b>\$ 8,190,253</b>

(1) All per share amounts and shares outstanding for all periods have been retroactively restated to reflect the 80-for-1 reverse share split for Class A ordinary share of Youxin Technology Ltd, which was effective on September 30, 2025.

(2) Giving retroactive effect to the issuance of ordinary shares effected on April 21, 2023.

**The accompanying notes are an integral part of these consolidated financial statements.**

**YOUXIN TECHNOLOGY LTD**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2025, 2024 and 2023**  
(Expressed in U.S. dollars, except for the number of shares)

	Years Ended September 30		
	2025	2024	2023
<b>Cash flows from operating activities</b>			
Net loss	\$ (9,646,142)	\$ (1,280,661)	\$ (2,343,238)
<b>Adjustments to reconcile net loss to cash used in operating activities:</b>			
Loss (gain) on disposal of property and equipment	-	572	(357)
Amortization of right-of-use assets	42,002	101,888	204,715
Loss from Investments, net	2,814,514	-	-
Change in fair value of warrant liabilities	(2,647,942)	-	-
Issuance costs allocated to warrants liabilities	876,282	-	-
Loss on issuance of warrant liabilities	5,802,241	-	-
Depreciation	1,355	6,816	12,293
Credit loss provision	-	4,664	-
Loss from termination of right-of-use assets	-	183	369
<b>Changes in operating assets and liabilities</b>			
Accounts receivable	(39,166)	52,210	94,595
Prepaid expenses and other current assets	(172,366)	18,020	69,605
Deferred contract costs	(13,103)	-	30,192
Amount due from a related party	(17,260)	-	-
Other non-current assets	-	16,950	28,368
Accounts payable	2,840	(21,098)	(14,007)
Operating lease liabilities	(43,455)	(100,073)	(207,881)
Payroll payable	(734,904)	404,216	102,096
Accrued expenses and other current liabilities	47,096	19,107	(18,026)
Contract liabilities	(185,744)	49,140	(268,907)
<b>Net cash used in operating activities</b>	<b>(3,913,752)</b>	<b>(728,066)</b>	<b>(2,310,183)</b>
<b>Cash flows from investing activities</b>			
Proceeds from dispose of property and equipment	-	360	815
Purchase of short-term investment	(3,800,000)	-	-
Redemption of short-term investment	979,031	-	-
Prepayment for acquisition	(207,972)	-	-
<b>Net cash (used in) provided by investing activities</b>	<b>(3,028,941)</b>	<b>360</b>	<b>815</b>
<b>Cash flows from financing activities</b>			
Loan from related parties	-	792,283	284,292
Repayment to related parties	(1,038,283)	-	-
Repayment of short-term bank loan	(314,731)	(315,090)	-
Proceeds from short-term bank loan	314,731	315,090	321,834
Proceeds from issuance of ordinary shares upon initial public offering, net of underwriting commissions, discounts and other offering costs of \$1,253,000	9,097,000	-	-
Proceeds from issuance of units upon follow-on offering, net of underwriting commissions, discounts and other offering costs of \$730,000	5,270,064	-	-
Proceeds from issuance of ordinary shares upon exercise of Series A Warrants	4,486,999	-	-
Proceeds from issuance of ordinary shares upon exercise of Series B Warrants	731	-	-
Payment of offering costs	(1,028,932)	(360,893)	(121,248)
Collection of subscription receivable	3,125	-	-
<b>Net cash provided by financing activities</b>	<b>16,790,704</b>	<b>431,390</b>	<b>484,878</b>
<b>Effect of exchange rates on cash and restricted cash</b>	<b>45,593</b>	<b>(59,713)</b>	<b>5,194</b>
<b>Net increase (decrease) in cash and restricted cash</b>	<b>9,893,604</b>	<b>(356,029)</b>	<b>(1,819,296)</b>
Cash and restricted cash at beginning of year	43,021	399,050	2,218,346
<b>Cash and restricted cash at end of year</b>	<b>\$ 9,936,625</b>	<b>\$ 43,021</b>	<b>\$ 399,050</b>
Cash	\$ 9,912,327	\$ 18,372	\$ 399,050
Restricted cash	\$ 24,298	\$ 24,649	\$ -
<b>Cash and restricted cash at end of year</b>	<b>\$ 9,936,625</b>	<b>\$ 43,021</b>	<b>\$ 399,050</b>
<b>Supplemental disclosure of cash flow information</b>			
Cash paid for interest expenses	\$ 9,377	\$ 10,237	\$ 257
Cash paid for income tax	\$ 264	\$ -	\$ -
<b>Supplemental disclosure of non-cash investing and financing activities:</b>			
Accretion to redeemable preferred equity	\$ -	\$ -	\$ 326,837
Exchange redeemable preferred equity with Class A ordinary shares	\$ -	\$ -	\$ 12,154,929
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	\$ -	\$ 140,844	\$ -
Deferred offering costs charged against additional paid-in capital	\$ 478,108	\$ -	\$ -

The accompanying notes are an integral part of these consolidated financial statements.



**YOUXIN TECHNOLOGY LTD**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2025, 2024 and 2023**  
**(Expressed in U.S. dollars, except for the number of shares)**

**Note 1 - Description of Business and Organization**

**a. Company and Background**

Youxin Technology Ltd. (“Youxin Technology”, or “Youxin Cayman”) was incorporated under the laws of the Cayman Islands on October 21, 2022 as an exempted company with limited liability. Youxin Cayman and its subsidiaries (collectively referred to as “the Company”) are principally engaged in a professional and highly intelligent PaaS (Platform as a Service) provider capable of providing customized system development services and subsequent services to its customers. The Company provides a comprehensive suite of product to give its retail clients an all-round view of their business operations in real time on multiple interfaces, allowing them to make critical business decisions anytime and anywhere. The Company’s products optimize the overall supply chain by streamlining the decision-making process, boosting efficiency and profitability.

Youxin Cayman is a holding company and has no substantial operations other than holding all of the outstanding share capital of Youxin Cloud (BVI) Ltd (“Youxin BVI”) established under the laws of the British Virgin Islands on November 10, 2022. Youxin BVI is also a holding company holding all of the outstanding share capital of Youxin Cloud (HK) Limited (“Youxin HK”) which was incorporated on December 13, 2022 under the laws of Hong Kong. Youxin HK is a holding company holding all of the equity of Hainan Youxin Mutual Enterprise Management Co., Ltd. (“WFOE”), which was incorporated on February 17, 2023 under the law of the People’s Republic of China (“the PRC”). The WFOE holds all of the equity of Guangzhou Youxin Technology Co., Ltd. (“Guangzhou Youxin”), the operating subsidiary which was established on March 12, 2018 under the law of the PRC.

***Disposal of Subsidiary***

On November 17, 2022, the Company transferred 100% of the equity interest and contribution obligation it held in Guangxi Yousen Network Technology Co., Ltd., (“Guangxi Yousen”) a former wholly-owned subsidiary of the Company to an unrelated individual person Lin Shaofen with no consideration. Yousen had no actual business and the net liabilities of Yousen were \$1,596 as of November 17, 2022.

***Reorganization***

In anticipation of an IPO of its equity securities, the Company undertook the following steps to effect a reorganization (the “Reorganization”):

- Step 1: Formation of Youxin Cayman, Youxin BVI, Youxin HK, and WFOE.
- Step 2: WFOE obtained 100.00% of the equity interests of Guangzhou Youxin on April 28, 2023.

Immediately before and after the Reorganization as described above, Youxin Cayman together with its subsidiaries were effectively controlled by the same controlling shareholders; therefore, the Reorganization was accounted for as a recapitalization, and thus the current capital structure has been retroactively presented in prior periods as if such structure existed at that time, the entities under common control are presented on a consolidated basis for all periods to which such entities were under common control.

As of the issuance date of the financial statements, the details of the Company’s subsidiaries are as follows:

<b>Name of Entity</b>	<b>Incorporation Date</b>	<b>Background</b>	<b>Ownership</b>	<b>Principle activities</b>
Youxin Cloud (BVI) Ltd (“Youxin BVI”)	November 10, 2022	British Virgin Islands (“BVI”) Company	Youxin Cayman (100% Hold)	Holding company
Youxin Cloud (HK) Limited (“Youxin HK”)	December 13, 2022	Hong Kong (“HK”) Limited Company	Youxin BVI (100% Hold)	Holding company
Hainan Youxin Mutual Enterprise Management Co., Ltd. (“WFOE”)	February 17, 2023	The People’s Republic Of China (“PRC”) Company	Youxin HK (100% Hold)	Holding company
Guangzhou Youxin Technology Co., Ltd. (“Guangzhou Youxin”)	March 12, 2018	The People’s Republic Of China (“PRC”) Company	WFOE (100% Hold)	PaaS and SaaS products

#### **Initial Public Offering**

On December 23, 2024, the Company closed its initial public offering (“IPO”) with issuance of 2,300,000 (post-reverse-split: 28,750) Class A ordinary shares, par value \$0.0001 per share (post-reverse-split: \$0.008 per share), at \$4.50 per share (post-reverse-split: \$360.00 per share). The gross proceeds of this offering were approximately \$10.4 million prior to deducting the underwriting discounts, commissions and other offering cost payable by the Company. Net proceeds received by the Company from its IPO were approximately \$9.1 million. The Shares were previously approved for listing on the Nasdaq Capital and commenced trading under the ticker symbol “YAAS” on December 20, 2024. Upon the closing of the IPO on December 23, 2024, the Company issued to Aegis Capital Corp. (the “Representative”) warrants (the “Representative’s Warrants”) to purchase 115,000 Class A Ordinary Shares (post-reverse-split: 1,438.00) with no consideration.

#### **September 2025 Public Offering**

On September 8, 2025, the Company closed another public offering (the “September 2025 Public Offering”) of 21,428,571 units (post-reverse-split: 267,857 units) (the “Units”) at a public offering price of \$0.28 (post-reverse-split: 22.40 per Unit), with each Unit consisting of: (i) one Class A Ordinary Share (the “Class A Shares”); (ii) one Series A Warrant to purchase one Class A Share (the “Series A Warrants”); (iii) one Series B Warrant to purchase such number of Class A Shares as determined in the Class B Warrant (the “Series B Warrants” and together with the Series A Warrants, the “Warrants”).

Each Series A Warrant is exercisable at an exercise price of \$0.28 per share (post-reverse-split: \$22.40 per share), and each Series B Warrant is exercisable at an exercise price of \$0.00001 per share (post-reverse-split: \$0.0008 per share). The Series A Warrants will be exercisable immediately and will expire five years after the closing date and the Series B Warrants will be exercisable immediately with no expiration.

Pursuant to the underwriting agreement, the Company also granted to the Underwriter an option to purchase up to 3,214,286 additional Class A Shares (post-reverse-split: 40,179 shares, representing 15.0% of the Units sold in the offering), and/or up to an additional 3,214,286 Series A Warrants and 3,214,286 Series B Warrants at the public offering price less underwriting discounts and commissions. The Underwriter may exercise this option in whole or in part at any time within forty-five (45) days after the date of the offering. The underwriter may exercise the over-allotment option with respect to Class A Shares only, warrants only, or any combination thereof. On September 5, 2025, the Underwriter partially exercised its over-allotment option and purchased additional 3,214,286 Series A warrants and additional 3,214,286 Series B Warrants for a total of 6,428,572 warrants at the public offering price of \$0.00001 per warrant in total consideration of \$64.29.

Gross proceeds of the September 2025 Public Offering, together with the partial exercise of the over-allotment option, were approximately \$6.0 million, before deducting underwriting fees and other offering costs payable by the Company. Net proceeds received by the Company were approximately \$5.3 million.

During the year ended September 30, 2025, the exercise of Series A Warrants and Series B Warrants have resulted in the issuance of 66,894,433 (post-reverse-split 836,180) Class A ordinary shares and 73,116,057 (post-reverse-split 913,951) Class A Ordinary Shares, respectively. Net proceeds from the exercise of Series A Warrants and Series B Warrants were approximately \$4.5 million and \$731, respectively.

***Reverse share split***

On August 25, 2025, the Company's shareholders and Board of Directors approved an 80-for-1 reverse share split of the Company's issued and outstanding and authorized and unissued Class A ordinary shares of the Company and established an effective date of September 30, 2025. Following the reverse split, the authorized share capital was amended as follows, while the total authorized share capital remained \$50,000:

- (i) Class A Ordinary Shares: from 400,000,000 shares with a par value of \$0.0001 per share to 5,000,000 shares with a par value of \$0.008 per share;
- (ii) Class B Ordinary Shares: remained at 100,000,000 shares with a par value of \$0.0001 per share.

All share and per share information has been retroactively adjusted to reflect the reverse share split for all periods presented. As a result, the Company has 5,000,000 authorized Class A Ordinary Shares, par value of \$0.008, of which 2,325,550 and 278,809 shares issued and outstanding as of September 30, 2025 and 2024, respectively.

**Note 2 - Liquidity**

The Company has incurred recurring net cash outflows in operating activities since inception and has funded its operations primarily from public offerings. The Company had an accumulated deficit of approximately \$25.1 million and \$15.4 million as of September 30, 2025 and 2024, respectively. The Company had net losses of approximately \$9.6 million, \$1.3 million and \$2.3 million for the years ended September 30, 2025, 2024 and 2023, respectively.

For the year ended September 30, 2025, Net proceeds from the IPO, September 2025 Public Offering and the exercise of total Series A Warrants and Series B Warrants were \$9.1 million, \$5.3 million and \$4.5 million, respectively.

As of September 30, 2025, the Company has approximately \$9.9 million of unrestricted cash. In addition, the Company will need to maintain its operating costs at a level through strict cost control and budget to ensure operating costs are minimized and will not exceed such aforementioned sources of funds to continue as a going concern for a period within 12 months after the issuance of its consolidated financial statements.

The Company believes that available cash, together with the efforts from aforementioned management plan and actions will be sufficient to support its continuous operations and to meet its payment obligations when liabilities fall due within the next twelve months from the date of issuance of these consolidated financial statements. As a result, no substantial doubt about the Company's ability to continue as a going concern existed as of September 30, 2025.

**Note 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a. Basis of presentation

The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") and applicable rules and regulations of the United States Securities and Exchange Commission ("SEC").

b. Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all the subsidiaries of the Company and all inter-company balances and transactions have been eliminated upon consolidation. A subsidiary is an entity in which (i) the Company directly or indirectly controls more than 50% of the voting power; or (ii) the Company has the power to appoint or remove a majority of the members of the board of directors or to cast a majority of votes at the meeting of the board of directors or to govern the financial and operating policies of the investee pursuant to a statute or under an agreement among the shareholders or equity holders.

c. Use of estimates

The preparation of these consolidated financial statements in conformity with U.S. GAAP requires management of the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, costs and expenses, and related disclosures. On the going concern basis, the Company evaluates its estimates based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Significant estimates required to be made by management, include, but are not limited to, revenue recognition, the assessment of a provision for credit loss, the useful lives of property and equipment, the impairment for long lived assets, valuation of deferred tax assets, fair value of warrant liabilities and the short-term investments. Actual results may differ from those estimates under different assumptions or conditions.

## d. Fair value measurements

Accounting Standards Codification (ASC) 825-10 requires certain disclosures regarding the fair value of financial instruments. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-level fair value hierarchy prioritizes the inputs used to measure fair value. The hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

Level 1 - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - inputs to the valuation methodology include quoted prices included within Level 1 that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value. Unobservable inputs are valuation technique inputs that may reflect the Company's own assumptions that cannot be corroborated with observable market data.

Management of the Company is responsible for considering the carrying amount of cash, accounts receivable, prepaid expenses and other current assets, short-term bank loan, accounts payable, contract liabilities, amount due to related parties, operating lease liabilities - current, payroll payable and accrued expenses and other current liabilities based on the short-term maturity of these instruments to approximate their fair values because of their short-term nature.

The Company's non-financial assets, such as property and equipment would be measured at fair value only if they were determined to be impaired.

The Company measured its Representative's Warrants, Series A Warrant and Series B Warrants at fair value on a recurring basis. As the Company's warrants are not traded in an active market with readily observable prices, the Company uses significant unobservable inputs to measure the fair value of warrants. This instrument is categorized in the Level 3 valuation hierarchy based on the significance of unobservable factors in the overall fair value measurement.

The following table presents the fair value hierarchy for the Company's liabilities that are measured and recorded at fair value as of September 30, 2025 and 2024:

<b>As of September 30, 2025</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Warrant liabilities	-	-	902,287
<b>As of September 30, 2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Warrant liabilities	-	-	-

e. Foreign currency translation and transaction

The reporting currency of the Company is the United States Dollars (“USD”). Guangzhou Youxin conducts its business in the local currency, Chinese Yuan (“RMB”), as its functional currency. Except for Guangzhou Youxin, the Company and its subsidiaries in Cayman Islands, BVI and HK use USD as their functional currency. An entity’s functional currency is the currency of the primary economic environment in which it operates; normally, that is the currency of the environment in which the entity primarily generates and expends cash. Management’s judgment is essential to determine the functional currency by assessing various indicators, such as cash flows, sales price and market, expenses, financing and inter-company transactions and arrangements.

Foreign currency transactions denominated in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are re-measured at the applicable rates of exchange in effect at that date. Gains and losses resulting from foreign currency re-measurement are included in the consolidated statements of operations and comprehensive loss.

The consolidated financial statements are presented in USD. Assets and liabilities are translated into USD at the current exchange rate in effect at the balance sheet date, and revenues and expenses are translated at the average of the exchange rates in effect during the reporting period. Shareholders’ equity accounts, except for the change in retained earnings, are translated using the historical exchange rates at the date of entry to shareholder equity; the change in retained earnings uses historical exchange rates of each period’s statement of income. Differences resulting from translating functional currencies to the reporting currency are recorded in accumulated other comprehensive loss in the consolidated balance sheets.

Translation of amounts from RMB into USD has been made at the following exchange rates from Board of Governors of the Federal Reserve System :

<b>Balance sheet items, except for equity accounts</b>		
September 30, 2025	RMB	7.1190 to \$1
September 30, 2024	RMB	7.0176 to \$1
<b>Statement of operations and comprehensive loss, and cash flows items</b>		
For the year ended September 30, 2025	RMB	7.2125 to \$1
For the year ended September 30, 2024	RMB	7.2043 to \$1
For the year ended September 30, 2023	RMB	7.0533 to \$1

f. Cash

Cash consists of bank deposits with original maturities of three months or less, which are unrestricted as to withdrawal and use. Cash were held in accounts at financial institutions located in the PRC, which is not freely convertible into foreign currencies.

g. Restricted cash

Restricted cash mainly represents cash in bank that was frozen by court orders due to a lawsuit between a former employee. As of September 30, 2025 and 2024, the Company's restricted cash balance was \$24,298 and \$24,649, respectively.

h. Accounts receivable

In June 2016, the FASB issued ASU 2016-13: Financial Instruments-Credit Losses (Topic 326), which requires entities to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. This replaces the existing incurred loss model and is applicable to the measurement of credit losses on financial assets measured at amortized cost. The Group adopted ASU 2016-13 from October 1, 2022 using modified-retrospective transition approach with a cumulative-effect adjustment to amounting to nil recognized as of October 1, 2022.

Accounts receivable include trade accounts due from clients. The credit terms given to customers are generally 90 days. Management reviews its receivables on a regular basis to determine if the provision for credit loss is adequate, and makes provision when necessary. Accounts receivable is considered past due based on its contractual terms. In establishing the allowance, management uses an aging schedule method to estimate the amount of the allowance for credit losses. The management also considers historical losses, the financial condition, the payment patterns and the forecasted information in pooling basis upon the use of the Current Expected Credit Loss Model ("CECL Model") in accordance with ASC Topic 326, Financial Instruments - Credit Losses. Account balances are charged off against the provision after all means of collection have been exhausted and the likelihood of collection is remote. As of September 30, 2025, 2024, and 2023, the allowances for expected credit loss were nil, \$4,664 and nil, respectively. As of September 30, 2025, 2024, and 2023, the write-off of allowances for expected credit loss were nil, \$4,664 and nil, respectively.

i. Short-term investments

Short-term investments are investments in wealth management product with underlying in equity stocks listed in global capital markets and other equity and monetary market products. The investments can be redeemed after 90 days with one month's notice and are not available for early redemption. The short-term investments are presented on the consolidated balance sheets at fair value at the end of each reporting period. Gains and losses resulting from the change in fair value of investments are included in investment income or loss in the accompanying consolidated statement of operations and comprehensive loss. As of September 30, 2025, all short-term investments were settled, and there was no outstanding balance of short-term investments.

j. Property and equipment, net

Property and equipment are stated at cost less accumulated depreciation and impairment, if any. Depreciation is provided over the estimated useful lives of the assets using the straight-line method from the time the assets are placed in service, after considering the estimated residual value which is 5% of costs. The estimated useful lives are as follows:

	Estimated useful lives
Electronic equipment	3 years
Office furniture	5 years

The cost represents the purchase price of the asset and other costs incurred to bring the asset into its existing use. Expenditures for maintenance and repairs are charged to earnings as incurred, while major additions and enhancements are capitalized. When assets are retired or disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gains or losses are included in income/loss in the year of disposition. The Company examines the possibility of decreases in the value of its property and equipment when events or changes in circumstances reflect the fact that their recorded value may not be recoverable. The Company also re-evaluates the periods of depreciation to determine whether subsequent events and circumstances warrant revised estimates of useful lives.

k. Impairment of long-lived Assets

For the long-lived assets, including property and equipment with finite lives are reviewed for impairment whenever events or changes in circumstances (such as a significant adverse change to market conditions that will impact the future use of the assets) indicate that the carrying value of an asset may not be recoverable. The Company assesses the recoverability of the assets based on the non-discounted future cash flows generated from the assets and recognizes an impairment loss when estimated discounted future cash flows expected to result from the use of the asset plus net proceeds expected from disposition of the asset, if any, are less than the carrying value of the asset. If an impairment is identified, the Company would reduce the carrying amount of the asset to its estimated fair value based on a discounted cash flows approach or, when available and appropriate, to comparable market values. No impairment was recorded by the Company for the years ended September 30, 2025, 2024 and 2023.

l. Deferred Offering Costs

Deferred offering costs consist of legal, underwriting fees and other costs incurred through the balance sheet date that are directly related to the IPO. These costs, together with the underwriting discounts and commissions, will be charged to permanent equity upon completion of the IPO. Should the IPO prove to be unsuccessful, these deferred costs, as well as additional expenses to be incurred, will be charged to expenses. As of September 30, 2025 and 2024, the Company had nil and \$478,108 of deferred offering costs, respectively.

In conjunction with the IPO, the Company issued to the underwriter a warrant to purchase up to an aggregate of 115,000 Shares with no consideration (the “Representative’s Warrants”) with an estimated fair value of \$287,128 as of December 20, 2024, the effective date. The fair value of the Representative Warrants accounted for as compensation under Accounting Standards Codification (“ASC”) 718, “Compensation – Stock Compensation” (“ASC 718”) is included in the total offering costs and recognized as part of additional-paid-in capital upon completion of the IPO.

Total offering costs related to IPO were \$2,900,886 consist of underwriting discount and commission, legal fee, underwriting fees, fair value of Representative’s Warrants and other costs incurred through the balance sheet date that were directly related to the IPO and were charged to additional-paid-in capital upon completion of the IPO.

Offering costs related to the September 2025 follow-on offering were \$876,282, which consist of underwriting discount and commission, legal fee, underwriting fees and other costs incurred through the balance sheet date. These costs were recorded as issuance costs allocated to warrant liabilities in the consolidated statements of operations and comprehensive loss in the period incurred, as all proceeds from the September 2025 Public Offering were allocated to the Series A Warrants and Series B Warrants (See Note 16).

m. Lease

The Company determines if an arrangement is a lease or contains a lease at inception, operating lease liabilities are recognized based on the present value of the remaining lease payments, discounted using the discount rate for the lease at the commencement date. As the rate implicit in the lease is not readily determinable for the operating lease, the Company generally uses an incremental borrowing rate based on information available at the commencement date to determine the present value of future lease payments. Operating lease right-of-use (“ROU assets”) assets represent the Company’s right to control the use of an identified asset for the lease term and lease liabilities represent the Company’s obligation to make lease payments arising from the lease. ROU assets are generally recognized based on the amount of the initial measurement of the operating lease liabilities. Lease expense is recognized on a straight-line basis over the lease term. The Company keeps leases with an initial term of 12 months or less off the consolidated balance sheet and recognize the associated lease payments in the consolidated statements of operations and comprehensive loss on a straight-line basis over the lease term.

The Company has an operating lease for office and equipment, including an option to renew which is not at the Company’s sole discretion. The renewal to extend the lease term is not included in the Company’s ROU assets and operating lease liabilities as they are not reasonably certain of exercise. The Company regularly evaluates the renewal option, and, when it is reasonably certain of exercise, the Company will include the renewal period in its lease term. New lease modifications result in re-measurement of the ROU assets and operating lease liabilities. The Company’s lease agreement does not contain any material residual value guarantees or material restrictive covenants.

The operating lease is included in operating lease right-of-use assets, operating lease liabilities-current and operating lease liabilities-non-current on the consolidated balance sheets.

The Company has elected to not recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. Lease payments associated with these leases are expensed as incurred.

#### n. Revenue Recognition

The Company accounts for revenue in accordance with ASC Topic 606, Revenue From Contracts With Customers (ASC 606) for all periods presented. According to ASC 606, revenue is recognized when control of the promised goods or services is transferred to the customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. The Company determines revenue recognition through the following steps: (1) identify the contract(s) with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the entity satisfies a performance obligation. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. Revenue arrangements with multiple performance obligations are divided into separate distinct goods or services. The Company allocates the transaction price to each performance obligation based on the relative standalone selling price of the goods or services provided. Revenue is recorded net of value-added tax.

##### 1) Revenue stream

###### ◆ Revenues from professional services

The Company delivers customized cloud solutions to customers through its highly flexible PaaS platform. The professional fee normally consists of three types of revenue: (i) CRM system implementation services and cloud-based connectivity services; (ii) additional function development service and (iii) subscription services.

##### (i) Customized CRM system development and cloud-based connectivity services

The Company provides customized CRM system development services and cloud-based connectivity to its customers with tailored functionalities and interfacing capabilities suitable to meet the operation needs of its customers and provides continuous access to the customized CRM through the Company's platform which represent a single promise. The provision of customized CRM platform accessing, and function updates is considered as one performance obligation as the services provided are not distinct within the context of the contract whereas the customer can only obtain benefit when the services are provided together. The Company has a continuous obligation to ensure the performance of the customized CRM system through the Company's platform over the contract service period. As the Company provides the customers with the right to use customized CRM system, the Company has the right to recognize revenue over the contractual service period by using input method. Contract service period is generally one year and payment term is generally 90 days. Contracts generally do not contain significant financing components or variable consideration. Customers do not have the right to a refund of paid fees for customized CRM system development and cloud-based connectivity services which the Company had earned and recognized as revenue. Customized CRM contracts generally contain cancellation terms which provide for an enforceable right to payment for performance completed to date.

(ii) Additional function development service

For the revenue of the additional function development based on the completed customized CRM system, the revenue is recognized at a point in time when completion of the additional function is delivered to the customer. This typically occurs when the additional function is delivered, and the customer obtains the ability to use and benefit from it. Customers do not have the right to refund of paid fees for additional function development services after the additional function is delivered. Additional function development contracts generally do not contain contract cancellation terms except when the Company failed to develop the additional function.

(iii) Subscription services

Since its second year of development, the Company also derives subscription revenues from providing cloud-based connectivity platform service and the continued obligation to ensure the performance of the platform over the service period. The transaction price is the observable standalone selling price of subscription service. The performance periods generally are six months to one year, and pursuant to the contracts, full payment is generally collected in advance. Contracts generally do not contain significant financing components or variable consideration. In conclusion, due to the fact that the customer simultaneously receives and consumes the benefits provided by the Company's performance, the Company has the right to recognize revenue ratably over the contractual subscription period, beginning on the date when the service is made available to the customers. Customers do not have the right to a refund of paid fees for subscription services which the Company had earned and recognized as revenue. Subscription services contracts generally contain contract cancellation terms which provide an enforceable right to payment for performance completed to date.

◆ Revenues from payment channel services

This revenue stream is mainly derived from payment channel services the Company enables the user to make with payment services through its CRM system, such as top up, withdraw or transaction etc. The performance obligation is to help the third-party payment channels service provider to facilitate their payment services. The Company charges a non-refundable fee for the payment channel services, the pricing of which is based on the pre-determined rates specified in the contract. The Company recognizes for payment channel service revenues at the time a user completes a payment transaction via a payment channel and is entitled to payment. Related fees are generally billed monthly, based on a per-transaction basis. As such, the Company is not the primary obligor and does not have the ability to establish the price, and therefore, the Company records revenue on a net basis and the revenue is recognized at a point in time when the amount is verified by both parties via reconciliation.

1) Revenues presented as follows:

	Years Ended September 30,		
	2025	2024	2023
Customized CRM system development service	\$ 285,188	\$ -	\$ 134,768
Additional function development service	38,808	42,758	155,904
Subscription service	191,688	232,556	258,150
Subtotal of professional services	515,684	275,314	548,822
Payment channel services	21,590	206,526	291,643
Others	2,200	39,401	55,513
<b>Total</b>	<b>\$ 539,474</b>	<b>\$ 521,241</b>	<b>\$ 895,978</b>

Revenue by recognition over time vs point in time

	Years Ended September 30,		
	2025	2024	2023
Revenue by recognition over time	\$ 476,876	\$ 232,556	\$ 392,918
Revenue by recognition at a point in time	62,598	288,685	503,060
<b>Total</b>	<b>\$ 539,474</b>	<b>\$ 521,241</b>	<b>\$ 895,978</b>

2) Contract liabilities

Contract liabilities are recognized when the Company has an obligation to transfer goods or services to a customer for which the Company has received consideration from the customer.

Changes in contract liabilities as follows:

	Years Ended September 30,		
	2025	2024	2023
Contract liabilities, beginning of the year	\$ 215,768	\$ 166,628	\$ 437,535
Revenue deferred during the year	24,192	190,704	20,090
Cash refund due to the contract termination	(7,593)	-	-
Recognition of revenue deferred in prior years	(202,343)	(141,564)	(290,997)
<b>Contract liabilities, end of the year</b>	<b>\$ 30,024</b>	<b>\$ 215,768</b>	<b>\$ 166,628</b>

### 3) Deferred contract costs

Deferred contract costs primarily represent capitalized costs incurred to fulfill service contracts for which revenue is recognized at a point in time. Certain project cycles extend beyond one year, resulting in the recognition of deferred contract costs.

Changes in deferred contract costs as follows:

	Years Ended September 30,		
	2025	2024	2023
Deferred contract costs, beginning of the year	\$ -	\$ -	\$ 29,936
Cost deferred during the year	13,103	-	-
Recognition of cost deferred in prior years	-	-	(29,936)
<b>Deferred contract costs, end of the year</b>	<b>\$ 13,103</b>	<b>\$ -</b>	<b>\$ -</b>

#### o. Cost of revenues

Cost of revenue includes (1) labor costs (including salaries, social insurance and benefits) for employees involved with the Company's operations and product support, (2) third party service fees including cloud computing and data usage, (3) rental and (4) related costs of outsourcing to contractors conducting system implementation and support services to customers.

#### p. Selling expenses

Selling expenses mainly consist of salaries and welfare, rental and advertising costs and market promotion expenses.

#### q. General and administrative expenses

General and administrative expenses mainly consist of salaries and welfare, rental, depreciation, professional service fees and other corporate expenses.

#### r. Research and development expenses

Research and development expenses are mainly salary and benefits for in-house software engineers and payments made to outside cloud providers.

#### s. Government grants

Government grants are recognized as other income, net, or as a reduction of specific costs and expenses for which the grants are intended to compensate. Such amounts are recognized in the consolidated statements of operations and comprehensive loss upon receipts as all conditions attached to the grants are fulfilled. Government grants included as other income in the consolidated statements of operations and comprehensive loss amounted to nil, \$127,482 and \$67,470 for the years ended September 30, 2025, 2024 and 2023, respectively.

t. Employee benefit

The Company is required under PRC laws and regulations to participate in various government sponsored employee benefit plans, including certain social insurance, housing funds and other welfare-oriented payment obligations, and contributes to the plans in amounts equal to certain percentages of salaries, including bonuses and allowances, of its employees up to a maximum amount specified by the local government from time to time at locations where the Company operates its businesses. Social benefits included as expenses in the accompanying consolidated statements of operations and comprehensive loss amounted to \$227,152, \$282,467 and \$479,262 for the years ended September 30, 2025, 2024 and 2023, respectively.

u. Warrant

The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 480, Distinguishing Liabilities from Equity ("ASC 480") and ASC 815, Derivatives and Hedging ("ASC 815"). The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company's own ordinary shares and whether the warrant holders could potentially require "net cash settlement" in a circumstance outside of the Company's control, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding.

For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of equity at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, the warrants are required to be recorded as liabilities at their initial fair value on the date of issuance, and each balance sheet date thereafter. Changes in the estimated fair value of the warrants are recognized as a non-cash gain or loss on the consolidated statements of operations.

v. Statutory Reserve

In accordance with the PRC Regulations on Enterprises with Foreign Investment and its articles of association, a foreign-invested enterprise established in the PRC is required to provide certain statutory reserves, namely the general reserve fund, the enterprise expansion fund and the staff welfare and bonus fund which are appropriated from net profit as reported in the enterprise's PRC statutory accounts. A foreign-invested enterprise is required to allocate at least 10% of its annual after-tax profit to the general reserve until such reserve has reached 50% of its respective registered capital based on the enterprise's PRC statutory accounts. Appropriations to the enterprise expansion fund and staff welfare and bonus fund are at the discretion of the board of directors for all foreign-invested enterprises. The aforementioned reserves can only be used for specific purposes and are not distributed as cash dividends. If the Company has accumulated loss from prior periods, the Company is able to use the current period net income after tax to offset against the accumulate loss.

w. Value Added Tax (“VAT”)

The Company was subject to VAT at the rate of 6% and related surcharges on revenues generated from provided services for the years ended September 30, 2025 and 2024. Entities that are VAT general taxpayers are allowed to offset qualified input VAT paid to suppliers against their output VAT liabilities. The Company reports revenues net of PRC VAT for all the periods presented in the consolidated statements of operations and comprehensive loss.

x. Income Tax

The Company accounts for income taxes under ASC 740. Current income taxes are provided on the basis of net income (loss) for financial reporting purposes, adjusted for income and expense items which are not assessable or deductible for income tax purposes, in accordance with the regulations of the relevant tax jurisdictions.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period including the enactment date. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

The provisions of ASC 740-10-25, “Accounting for Uncertainty in Income Taxes,” prescribe a more-likely-than-not threshold for consolidated financial statement recognition and measurement of a tax position taken (or expected to be taken) in a tax return. This interpretation also provides guidance on the recognition of income tax assets and liabilities, classification of current and deferred income tax assets and liabilities, accounting for interest and penalties associated with tax positions, and related disclosures. Penalties and interest incurred related to underpayment of income tax are classified as income tax expense in the period incurred. The Company does not believe that there was any uncertain tax position for the years ended September 30, 2025, 2024 and 2023.

y. Comprehensive Loss

Comprehensive loss consists of two components, net loss and other comprehensive loss. Other comprehensive loss refers to revenue, expenses, gains and losses that under U.S. GAAP are recorded as an element of shareholders’ equity but are excluded from net income. Comprehensive loss for the periods presented includes net loss and foreign currency translation adjustments.

z. Loss per share

Basic loss per share is computed by dividing net loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted loss per share is calculated by dividing net loss attributable to ordinary shareholders as adjusted for the effect of dilutive ordinary equivalent shares, if any, by the weighted average number of ordinary and dilutive ordinary equivalent shares outstanding during the year. Dilutive equivalent shares are excluded from the computation of diluted loss per share if their effects would be anti-dilutive. Ordinary share equivalents consist of the ordinary shares issuable in connection with the Company's ordinary shares issuable upon the conversion of the share-based awards, using the treasury stock method.

aa. Segment Reporting

ASC280, "Segment Reporting", establishes standards for reporting information about operating segments on a basis consistent with the Company's internal organizational structure as well as information about geographical areas, business segments and major clients in financial statements for details on the Company's business segments. The Company uses the management approach to determine reportable operating segments. The management approach considers the internal organization and reporting used by the Company's chief operating decision maker ("CODM") for making decisions, allocating resources and assessing performance. The Company's CODM has been identified as the CEO, who reviews consolidated results when making decisions about allocating resources and assessing the performance of the Company. Based on the management's assessment, the Company determined that it has only one operating segment and therefore one reportable segment as defined by ASC 280.

In November 2023, the FASB issued ASU No 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures ("ASU 2023-07"). ASU 2023-07 expands disclosures about a public entity's reportable segments and requires more enhanced information about a reportable segment's expenses, interim segment profit or loss, and how a public entity's chief operating decision maker uses reported segment profit or loss information in assessing segment performance and allocating resources. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. In October 2024, the Company adopted ASU No. 2023-07 for the year ended September 30, 2025, retrospectively to all periods presented in the consolidated financial statements, which requires an enhanced disclosure of significant segment expenses that are regularly provided to the CODM and included within each reported measure of segment profit or loss, on an annual and interim basis.

The Company's assets are substantially all located in the PRC and substantially all of the Company's revenues and expenses are derived in the PRC. Therefore, no geographical segments are presented. See "Note 19- Segment Reporting".

bb. Mezzanine equity

Mezzanine equity represents the Series Seed, Series A and Series B redeemable preferred equities (collectively, the "Preferred Equity" issued by Guangzhou Youxin). Preferred Equity is contingently redeemable upon the occurrence of an event that is outside of the Company's control. Therefore, the Company classifies the Preferred Equity as mezzanine equity. See "Note 15-Mezzanine Equity".

cc. Related parties

Parties are considered to be related to the Company if the parties, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with the Company. Related parties also include principal owners of the Company, its management, members of the immediate families of principal owners of the Company and its management, and other parties with which the Company may deal with if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. The Company discloses all significant related party transactions in Note 11.

dd. Commitments and contingencies

In the normal course of business, the Company is subject to contingencies, including legal proceedings and claims arising out of the business that relate to a wide range of matters, such as government investigations and tax matters. The Company recognizes its liability for such contingency if it determines it is probable that a loss has occurred, and a reasonable estimate of the loss can be made. The Company may consider many factors in making these assessments including historical and the specific facts and circumstances of each matter. As of September 30, 2025 and 2024, the Company's accrued provision for its ongoing litigation matters was \$24,459 and nil respectively, which was recorded in accrued expenses and other current liabilities in its consolidated financial statements. For more information see "Note 17 — Commitments and Contingencies".

ee. Recently issued accounting pronouncements

The Company is an "emerging growth company" ("EGC") as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). Under the JOBS Act, EGC can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. The Company does not opt out of an extended transition period for complying with any new or revised financial accounting standards. Therefore, the Company's financial statements may not be comparable to companies that comply with public company effective dates.

In December 2023, the FASB issued ASU 2023-09 Income Taxes (Topic 740). The amendments in this ASU improve the income tax disclosures related to rate reconciliation, income taxes paid and other disclosures. The amendments in this ASU apply to all entities that are subject to Topic 740. For public business entities, the new requirements will be effective for annual periods beginning after December 15, 2024. For entities other than public business entities, the requirements will be effective for annual periods beginning after December 15, 2025. The Company is currently evaluating the impact of this new guidance on its consolidated financial statements and expected to be immaterial.

On November 2024, the FASB issued ASU No. 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses ("ASU 2024-03"), and in January 2025, the FASB issued ASU No. 2025-01, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date ("ASU 2025-01"). ASU 2024-03 requires additional disclosure of the nature of expenses included in the income statement as well as disclosures about specific types of expenses included in the expense captions presented in the income statement. ASU 2024-03, as clarified by ASU 2025-01, is effective for annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Both early adoption and retrospective application are permitted. The Company is currently evaluating the impact that the adoption of these standards will have on its consolidated financial statements.

In July 2025, the FASB has released ASU 2025-05, Financial Instruments — Credit Losses — Measurement of Credit Losses for Accounts Receivable and Contract Assets. The purpose of this update is to address challenges encountered when applying the guidance in Topic 326 Financial Instruments—Credit Losses to current accounts receivable and current contract assets arising from transactions accounted for under Topic 606 Revenue from Contracts with Customers. ASU 2025-05 is effective for entities that apply the practical expedient when estimating expected credit losses on current accounts receivable and/or current contract assets arising from transactions under Topic 606, including those assets acquired in a transaction accounted for under Topic 805 Business Combinations, for annual reporting periods beginning after December 15, 2025, and interim reporting periods within annual reporting periods for all entities. Early adoption is permitted in both interim and annual reporting periods in which financial statements have not yet been issued or made available for issuance. The Company is currently evaluating the impact that the adoption of these standards will have on its consolidated financial statements.

In December 2025, the FASB issued ASU 2025-10, Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities. The purpose of this update is to establish authoritative accounting guidance for the recognition, measurement, presentation, and disclosure of government grants received by business entities. ASU 2025-10 applies to all government grants within its scope and provides a comprehensive framework for accounting for such grants under U.S. GAAP. For public business entities, the amendments are effective for annual reporting periods beginning after December 15, 2028, and interim reporting periods within those annual reporting periods. For entities other than public business entities, the amendments are effective for annual reporting periods beginning after December 15, 2029, and interim reporting periods within those annual reporting periods. The Company is currently evaluating the impact that the adoption of this standard will have on its consolidated financial statements.

In December 2025, the FASB issued ASU 2025-11, Interim Reporting (Topic 270): Narrow-Scope Improvements. The purpose of this update is to improve the clarity and organization of interim reporting guidance and to enhance the disclosure requirements applicable to interim financial statements. ASU 2025-11 does not change the fundamental principles of interim reporting but clarifies the scope and presentation of required disclosures. A public business entity shall apply for interim reporting periods within annual reporting periods beginning after December 15, 2027. An entity other than a public business entity shall apply for interim reporting periods within annual reporting periods beginning after December 15, 2028. The Company is currently evaluating the impact that the adoption of this standard will have on its interim reporting disclosures.

The Company does not believe any recently issued but not yet effective accounting standards, if currently adopted, would have a material effect on the Company's consolidated financial position, statements of operations and comprehensive loss and cash flows.

**Note 4 — ACCOUNTS RECEIVABLE, NET**

Accounts receivable, net consists of the following:

	September 30, 2025	September 30, 2024
Accounts receivable	\$ 213,772	\$ 176,607
Less: allowance for expected credit loss	-	-
	<u>\$ 213,772</u>	<u>\$ 176,607</u>

The movement of allowance for expected credit loss is as follow:

	Years Ended September 30,		
	2025	2024	2023
Balance at beginning of the year	\$ -	\$ -	\$ -
Provision	-	4,664	-
Written off	-	(4,664)	-
Ending balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Note 5 – PREPAID EXPENSES AND OTHER CURRENT ASSETS**

Prepaid expenses and other current assets consist of the following:

	September 30, 2025	September 30, 2024
Prepayment of service fee	\$ 281,959	\$ 73,616
Other current assets	13,600	49,060
Total	<u>\$ 295,559</u>	<u>\$ 122,676</u>

Other current assets mainly represent guarantee deposit for advertisement platform.

**Note 6 - PROPERTY AND EQUIPMENT, NET**

Property and equipment, net consist of the following:

	September 30, 2025	September 30, 2024
Office furniture	\$ 6,790	\$ 6,888
Electronic equipment	27,012	27,404
Less: Accumulated depreciation	(31,284)	(30,344)
Total	<u>\$ 2,518</u>	<u>\$ 3,948</u>

For the years ended September 30, 2025, 2024 and 2023, depreciation expenses amounted to \$1,355, \$6,816 and \$12,293, respectively.

**Note 7 - OTHER NON-CURRENT ASSETS**

Other non-current assets consist of the following:

	<b>September 30, 2025</b>	<b>September 30, 2024</b>
Deposits for operating lease	\$ 10,457	\$ 10,608
<b>Total</b>	<b>\$ 10,457</b>	<b>\$ 10,608</b>

**Note 8 – PREPAYMENT FOR ACQUISITION**

The Company has a balance of prepayment for acquisition in amount of \$210,704 as of September 30, 2025. Prepayment for acquisition represents the proposed acquisition of Celnet Technology Co., Ltd. (“Celnet”), a provider of information integration and management solutions for businesses and the largest Salesforce.com partner in China (See Note 20). During the year ended September 30, 2025, the Company paid partial payment for the fixed consideration of RMB1,500,000 in cash (approximately \$210,704) under the share transfer agreement.

	<b>September 30, 2025</b>	<b>September 30, 2024</b>
Prepayment for acquisition	\$ 210,704	\$ -
<b>Total</b>	<b>\$ 210,704</b>	<b>\$ -</b>

**Note 9 – SHORT-TERM BANK LOAN**

Bank loan consists of the following:

<b>Provider</b>	<b>Loan period</b>	<b>Interest rate</b>	<b>September 30, 2025</b>	<b>September 30, 2024</b>
Industrial & Commercial Bank of China (“ICBC”)	July 31, 2025 to July 26, 2026	2.75%	\$ 318,865	\$ -
Industrial & Commercial Bank of China (“ICBC”)	August 9, 2024 to August 9, 2025	3.10%	-	323,472
<b>Total</b>			<b>\$ 318,865</b>	<b>\$ 323,472</b>

The Company entered into a short-term bank loan agreement with ICBC on July 26, 2025, amounted to RMB2,270,000 (equivalent to \$318,865), for one year with an interest rate of 2.75% per annum and withdrew the loan on the same day. Pursuant to the loan agreement with ICBC, the loan was granted with a discounted annual interest rate of 25 basis points lower than the one-year loan prime rate of 3.00% per annum. The loan was unsecured.

The Company entered into a short-term bank loan agreement with ICBC on August 9, 2024, amounted to RMB2,270,000 (equivalent to \$323,472), for one year with an interest rate of 3.10% per annum and withdrew the loan on the same day. Pursuant to the loan agreement with ICBC, the loan was granted with a discounted annual interest rate of 35 basis points lower than the one-year loan prime rate of 3.45% per annum. The loan was unsecured.

The weighted average interest rate for the short-term bank loans for the years ended September 30, 2025, 2024 and 2023 was 2.75%, 3.15% and 3.20%, respectively.

**Note 10 – ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES**

Accrued expenses and other current liabilities consist of the following:

	<b>September 30, 2025</b>	<b>September 30, 2024</b>
Income tax payable	\$ 5,007	\$ 5,351
Other tax payable	21,697	14,651
Other	60,735	20,297
Total	<u>\$ 87,439</u>	<u>\$ 40,299</u>

**Note 11 - RELATED PARTY BALANCES AND TRANSACTIONS**

	<b>September 30, 2025</b>	<b>September 30, 2024</b>
Due from a related party		
Shaozhang Lin (1)	\$ 17,486	\$ -
Total	<u>\$ 17,486</u>	<u>\$ -</u>

Due to related parties		
Jinhou Sun (2)	\$ -	\$ 164,586
Baiyan (Guangzhou) Investment Partnership (Limited partnership) (3)	-	793,706
Shaozhang Lin (1)	-	43,890
Shengkai (Guangzhou) Investment Partnership (Limited partnership) (4)	-	64,937
Total	<u>\$ -</u>	<u>\$ 1,067,119</u>

(1) Shaozhang Lin is the legal representative of the Company.

(2) Jinhou Sun is one of the founders and major shareholder of the Company.

(3) Baiyan (Guangzhou) Investment Partnership (Limited partnership) (“Baiyan”) is the indirect shareholder of the Company from April 21, 2023.

(4) Shengkai (Guangzhou) Investment Partnership (Limited Partnership) (“Shengkai”) is the indirect shareholder of the Company from April 21, 2023.

#### Amount due from a related party

Amount due from a related party represents reimbursements of business expenses paid on behalf of the Company. During the year ended September 30, 2025, the Company advanced \$17,260 to Shaozhang Lin. The amount is unsecured, non-interest bearing and repayable on demand. As of September 30, 2025, the balance of amount due from a related party was \$17,486. As of the issuance date of the consolidated financial statements, the repayment amount was nil.

#### Promissory Note - Related Parties

On October 17, 2022, Baiyan agreed to loan the Company up to \$712,494 (RMB5,000,000) to be used for a portion of the expenses of the Proposed Public Offering. These loans are non-interest bearing, unsecured and are due at the earlier of October 16, 2024 or the closing of the Proposed Public Offering. On October 15, 2024, Baiyan agreed to increase the loan limit to \$1,424,989 (RMB10,000,000) and extended the repayment term to April 17, 2025.

As of September 30, 2024, the Company had borrowed \$793,706 under the promissory note. As of the September 30, 2025, these loans were fully repaid.

On October 17, 2022, Mr. Jinhou Sun agreed to loan the Company up to \$712,494 (RMB5,000,000) to be used for a portion of the expenses of the Proposed Public Offering. These loans are non-interest bearing, unsecured and are due at the earlier of October 16, 2024 or the closing of the Proposed Public Offering. On October 15, 2024, these loans were subsequently extended to April 17, 2025. As of September 30, 2024, the Company had borrowed \$164,586 under the promissory note. As of September 30, 2025, these loans were fully repaid.

On January 5, 2024, Mr. Shaozhang Lin agreed to loan the Company up to \$712,494 (RMB5,000,000) to be used for a portion of the expenses of the Proposed Public Offering. These loans are non-interest bearing, unsecured and are due on January 5, 2026. As of September 30, 2024, the Company had borrowed \$43,890 under the promissory note. As of September 30, 2025, these loans were fully repaid.

On February 22, 2024, Shengkai agreed to loan the Company up to \$142,499 (RMB1,000,000) to be used for a portion of the expenses of the Proposed Public Offering. These loans are non-interest bearing, unsecured and are due at the earlier of October 16, 2024 or the closing of the Proposed Public Offering. As of September 30, 2024, the Company had borrowed \$64,937 under the promissory note. As of September 30, 2025, these loans were fully repaid.

#### Note 12 - LEASE

The Company has operating leases for office and employee accommodation.

<b>Assets/Liabilities</b>	<b>September 30, 2025</b>	<b>September 30, 2024</b>
<b>Assets</b>		
Operating lease right-of-use assets	\$ 78,862	\$ 123,170
<b>Liabilities</b>		
Operating lease liability - current	\$ 46,190	\$ 42,277
Operating lease liability - non-current	35,306	82,674
Total	\$ 81,496	\$ 124,951

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The operating lease expenses for the years ended September 30, 2025, 2024 and 2023 were as follows:

Lease Expense	Classification	September 30, 2025	September 30, 2024	September 30, 2023
Operating lease expense	Cost of Revenue	\$ 15,505	\$ 13,839	\$ 24,312
	General and administrative expense	15,600	19,881	29,033
	Research and development expense	20,768	66,932	140,133
	Selling expense	2,112	6,820	16,113
<b>Total</b>		<b>\$ 53,985</b>	<b>\$ 107,472</b>	<b>\$ 209,591</b>

The following table represents the lease cost for the years ended September 30, 2025, 2024 and 2023.

	Years Ended September 30,		
	2025	2024	2023
Amortization of operating lease right of use assets	\$ 42,002	101,888	204,715
Interest on lease liabilities	8,239	14,529	2,333
Short term lease expenses	3,744	3,748	4,594
<b>Total</b>	<b>\$ 53,985</b>	<b>\$ 120,165</b>	<b>\$ 211,642</b>

Maturities of operating lease liabilities at September 30, 2025 were as follows:

Maturity of Lease Liabilities	Operating Leases
Within one year	\$ 51,065
One to two years	36,406
<b>Total lease payments</b>	<b>87,471</b>
Less: interest	(5,975)
<b>Present value of lease payments</b>	<b>\$ 81,496</b>

Other information related to our operating leases was as follows:

Lease Term and Discount Rate	September 30, 2025	September 30, 2024
Weighted-average remaining lease term (years)		
Operating leases	1.67	2.67
Weighted-average discount rate (%)		
Operating leases	8%	8%

#### Note 13 - TAXES

##### ■ Income tax

##### Cayman Islands

Youxin Cayman is incorporated in the Cayman Islands and is not subject to tax on income or capital gains under the laws of Cayman Islands. Additionally, upon payments of dividends to the shareholders, no Cayman Islands withholding tax will be imposed.

##### British Virgin Islands

Youxin BVI is incorporated in the British Virgin Islands and is not subject to tax on income or capital gains under current British Virgin Islands law. In addition, upon payments of dividends by these entities to their shareholders, no British Virgin Islands withholding tax will be imposed.

##### Hong Kong

Youxin HK is incorporated in Hong Kong and is subject to Hong Kong Profits Tax on the taxable income as reported in its statutory financial statements adjusted in accordance with relevant Hong Kong tax laws. The applicable tax rate is 16.5% in Hong Kong. The Company did not make any provisions for Hong Kong profit tax as there were no assessable profits derived from or earned in Hong Kong since inception. Under Hong Kong tax law, Youxin HK is exempted from income tax on its foreign-derived income and there are no withholding taxes in Hong Kong on remittance of dividends.

##### PRC

The Company's PRC subsidiaries are governed by the income tax laws of the PRC and the income tax provision in respect to operations in the PRC is calculated at the applicable tax rates on the taxable income for the periods based on existing legislation, interpretations and practices in respect thereof. Under the Enterprise Income Tax Laws of the PRC (the "EIT Laws"), domestic enterprises and Foreign Investment Enterprises (the "FIE") are usually subject to a unified 25% enterprise income tax rate while preferential tax rates, tax holidays and even tax exemption may be granted on case-by-case basis. The PRC tax authorities grant preferential tax treatment to High and New Technology Enterprises ("HNTEs"). Under this preferential tax treatment, HNTEs are entitled to an income tax rate of 15%, subject to a requirement that they re-apply for HNTE status every three years. Since Guangzhou Youxin was approved as an HNTE on December 20, 2021, Guangzhou Youxin is entitled to a reduced income tax rate of 15% for the calendar years from 2021 to 2023. As Guangzhou Youxin failed to obtain the renewed HNTE certificate in 2024, Guangzhou Youxin is no longer a HNTE after December 20, 2024 and thus it is subject to the income tax rate of 25% from calendar year 2024.

In accordance with Taxation [2022] No.16, which was effective from January 1, 2022, an enterprise qualified for technology-based small and medium-sized enterprise, is entitled to claim an additional tax deduction amounting to 100% of the qualified R&D expenses incurred in determining its tax assessable profits for that year. The same tax incentives policy further applies to all enterprises according to Taxation [2023] No.7, which was effective from January 1, 2023. Guangzhou Youxin was qualified for technology-based small and medium-sized enterprise in April 2023, but was still entitled to claim an additional tax deduction amounting to 100% of the qualified R&D expenses incurred starting from January 1, 2022, because it submitted the self-review information before May 31, 2023.

For qualified small and low-profit enterprises, from January 1, 2023 to December 31, 2027, 25% of the first RMB 3.0 million of the assessable profit before tax is subject to the tax rate of 20%. For the year ended September 30, 2025, Guangzhou Youxin was qualified as small and low-profit enterprise in PRC, and thus it was eligible for the above preferential tax rate for small and low-profit enterprises.

Income tax provision accrued for the years ended September 30, 2025, 2024 and 2023 are as follows:

	Years Ended September 30,		
	2025	2024	2023
Current income tax expense	\$ -	\$ (5,212)	\$ -
Deferred income tax expense	-	-	-
<b>Total income tax expense</b>	<b>\$ -</b>	<b>\$ (5,212)</b>	<b>\$ -</b>

Loss before income tax is attributable to the following geographic locations for the years ended September 30, 2025, 2024 and 2023 are as follows:

	Years Ended September 30,		
	2025	2024	2023
Cayman Islands	\$ 8,540,384	\$ 8,211	\$ -
Hong Kong	528,276	154,696	-
PRC	577,482	1,112,542	2,343,238
	<b>\$ 9,646,142</b>	<b>\$ 1,275,449</b>	<b>\$ 2,343,238</b>

A reconciliation of the income tax expense determined at the statutory income tax rate to the Company's income taxes are as follows:

	Years Ended September 30,		
	2025	2024	2023
Loss before income taxes	\$ 9,646,142	\$ 1,275,449	\$ 2,343,238
PRC statutory income tax rate	25%	25%	25%
Income tax benefit computed at statutory corporate income tax rate	2,411,536	318,862	585,810
Reconciling items:			
Additional deduction for R&D expenses	39,547	284,981	538,151
Entertainment expense	(2,829)	-	(3,362)
Effect of preferential tax rates	(144,871)	(454,662)	(448,240)
Effect of changes in tax rates	-	(2,023,126)	-
Effect of different tax rates in other jurisdictions	(2,223,582)	(27,964)	-
Change in valuation allowance	(79,801)	1,896,697	(672,359)
<b>Income tax expense</b>	<b>\$ -</b>	<b>\$ (5,212)</b>	<b>\$ -</b>

#### ■ Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reported period. The PRC tax laws regulate that the net operating losses incurred in the tax year of an enterprise may be carried forward to subsequent years (not exceed five years or ten years if HNTE) and reduce the taxable income of subsequent years when filing income tax.

The significant components of deferred taxes are as follows:

	September 30, 2025	September 30, 2024
Deferred tax assets		
Net operating loss carry forwards	\$ 1,232,478	\$ 1,168,270
Valuation allowance	(1,232,478)	(1,168,270)
<b>Deferred tax assets, net</b>	<b>\$ -</b>	<b>\$ -</b>

#### ■ Net operating loss carry forwards based on expiration date

According to PRC tax regulations, the PRC net operating loss can generally carry forward for no longer than five years starting from the year subsequent to the year in which the loss was incurred, and that of high-tech enterprises and technology-based small and medium-sized enterprises is no more than 10 years. Carryback of losses is not permitted. As of September 30, 2025 and 2024, the Group had PRC net operating tax loss carry forwards of \$23,508,148 and \$23,103,352, respectively. As of September 30, 2025, net operating loss carryforwards from PRC will expire in calendar years 2028 through 2035, if not utilized.

As of September 30, 2025 and 2024, the Group had Hongkong net operating tax loss carry forwards of \$691,764 and \$158,812, respectively. The net operating tax loss carry forwards in Hong Kong can be carried forward without an expiration date.

#### ■ Changes in valuation allowance

The Company has evaluated the positive and negative evidence bearing upon the realizability of its deferred tax assets, which are composed principally of net operating loss carryforwards. As the Company expects to continue to maintain large R&D investments and market expansion, the Company is expected to continue its loss status for the next several years. Due to its history of loss and expectation of continued loss, the management concluded that it is more likely than not that the Company will not generate future taxable income prior to the expiration of the majority of net operating loss and therefore provided a full valuation allowance against its net operating loss. Accordingly, as of September 30, 2025 and 2024, a \$1,232,478 and \$1,168,270 valuation allowance has been established, respectively. Movements for changes in valuation allowance are as follows:

	Movement
<b>Balance as of September 30, 2022</b>	<b>\$ 2,407,161</b>
Changes of valuation allowance	672,359
Foreign Exchange Difference	(82,965)
<b>Balance as of September 30, 2023</b>	<b>2,996,555</b>
Changes of valuation allowance	(1,896,697)
Foreign Exchange Difference	68,412
<b>Balance as of September 30, 2024</b>	<b>1,168,270</b>
Changes of valuation allowance	79,801
Foreign Exchange Difference	(15,593)
<b>Balance as of September 30, 2025</b>	<b>\$ 1,232,478</b>

#### ■ Uncertain Tax Position

As of September 30, 2025 and 2024, the Group did not have any unrecognized uncertain tax positions and the Group does not believe that its unrecognized tax benefits will change over the next twelve months. For the years ended September 30, 2025, 2024 and 2023, the Company did not incur any interest and penalties related to potential underpaid income tax expenses. In general, the PRC tax authority has up to five years to conduct examinations of the Company's tax filings. As of September 30, 2025, tax years from 2020 through 2024 for the Group's affiliated entities in the PRC remain open for statutory examination by the PRC tax authorities.

■ Value added tax (“VAT”)

All of the Company’s service revenues that are earned and received in the PRC are subject to a Chinese VAT at a rate of 6% and related surcharges of gross proceeds for the years ended September 30, 2025, 2024 and 2023. Entities that are VAT general taxpayers are allowed to offset qualified input VAT paid to suppliers against their output VAT liabilities. The Company reports revenues net of the PRC VAT for all the periods presented in the consolidated statements of operations and comprehensive loss.

Taxes payable consisted of the following:

	September 30, 2025	September 30, 2024
VAT taxes payable	\$ 14,546	\$ 14,590
Income tax payable	5,007	5,351
Other taxes payable	7,151	61
<b>Total taxes payable</b>	<b>\$ 26,704</b>	<b>\$ 20,002</b>

**Note 14 - BASIC AND DILUTED LOSS PER SHARE**

Basic and diluted loss per share have been calculated in accordance with ASC 260 on computation of loss per share for each of the years ended September 30, 2025, 2024 and 2023 are calculated as follows:

	Years Ended September 30,		
	2025	2024	2023
<b>Basic and diluted loss per share calculation</b>			
<b>Numerator:</b>			
Net loss attributable to ordinary shareholders, basic and diluted	\$ (9,646,142)	\$ (1,280,661)	\$ (2,670,075)
<b>Denominator:</b>			
Weighted-average ordinary shares outstanding, basic and diluted	9,311,589	9,224,116	9,224,116
<b>Loss per share attributable to ordinary shareholders:</b>			
Basic	(1.04)	(0.14)	(0.29)
Diluted	(1.04)	(0.14)	(0.29)

For the year ended September 30, 2025, the Company had 36,253,620 (post-reverse-split: 453,184) potential shares issuable upon the exercise of the Representative’s Warrants, Series A Warrants and Series B Warrants. As the Company incurred losses for the year ended September 30, 2025, inclusion of these potential shares would have reduced the net loss per share. Therefore, these potential shares were excluded from the calculation of diluted net loss per share. For the years ended September 30, 2024 and 2023, no potential dilutive shares were excluded from the calculation of diluted net loss per share.

**Note 15 - MEZZANINE EQUITY**

■ Before Reorganization

◆ Mezzanine equity

In July 2020, the Suzhou GSR Zhaohua Ventures III Partnership (Limited Partnership) (“GSR”) invested \$2.11 million (RMB15 million) and owned 10.00% equity with preferences in Guangzhou Youxin (the “Series A Redeemable Preferred Equity”).

In February 2021, the Xiamen Yilian Kaitai Artificial Intelligence Venture Capital Partnership (Limited Partnership) (“XMKT”), Hangzhou Kaitai Hongde Venture Capital Partnership (Limited Partnership) (“HZKT”) and GSR invested \$4.22 million (RMB30 million), \$1.40 million (RMB10 million) and \$2.81 million (RMB20 million) respectively; and owned 6.00%, 2.00% and 13.01% equity with preferences, respectively in Guangzhou Youxin (the “Series B Redeemable Preferred Equity”).

In May 2021, the XMKT and GSR each purchased 1.65% equities from one of the ordinary equity holder, with cash consideration of \$1.85 million (RMB13.2 million) in total in Guangzhou Youxin (the “Series Seed Redeemable Preferred Equity”).

Before reorganization, in total the GSR, XMKT, and HZKT (collectively “Mezzanine Equity Holders”) held 24.31% preferred equities in Guangzhou Youxin. The key features of the Series Seed, Series A, Series B Redeemable Preferred Equity (collectively the “Mezzanine Equity”) are summarized below:

◆ Dividends

Each holder of the Mezzanine Equity is entitled to receive non-cumulative dividends when declared by the Board of Directors with preferential priority to ordinary equity holders. The dividend is to be paid at the rate of 6% of the original issue price per annum on each Mezzanine Equity in the sequence of the Series B Redeemable Preferred Equity, the Series A Redeemable Preferred Equity, and the Series Seed Redeemable Preferred Equity. After the preferential dividends relating to the Mezzanine Equity have been paid in full or declared and set apart in any of our company’s fiscal year-end, any additional dividends out of funds or assets remaining may be declared in the same fiscal year for the Shares. If such additional dividends are declared, the Mezzanine Equity Holders shall be entitled to participate on an as converted-basis pro-rata in any dividends or distributions paid to the ordinary equity holders.

◆ Voting

Each Mezzanine Equity Holder is entitled to the number of votes equal to the number of common equity into which such Mezzanine Equity could be converted as of the voting date. Mezzanine Equity Holders will vote together with common equity holders, and not as a separate class of series, on all matters put before the equity holders.

To pass a shareholder resolution for certain matters, equity holders representing at least 2/3 voting power should vote for such matters (amongst others):

- Amend SHA (Shareholder Agreement), SPA (Share Purchase Agreement) or other transaction agreements relative to the privileges of Mezzanine. Equity Holders. Change the name of the Company.
- Amend the Company's Memorandum and Articles of Association.
- Any merger or acquisition.
- Reduction of share capital.

◆ Liquidation preference

In the event of any liquidation, including deemed liquidation event, dissolution or winding up of the Company, either voluntary or involuntary, distributions shall be made in the following manner (after satisfaction of all creditors' claims and claims that may be preferred by law):

The Series B Mezzanine Equity Holders shall be entitled to receive the amount equal to the consideration paid to the company plus the interest calculated on the paid amount at an annualized rate of 4.5%, plus all declared and unpaid dividends on such Mezzanine Equity. If the distributable assets are insufficient to pay the priority liquidation payment, all such distributable assets shall be distributed according to the relative proportion of their respective actual paid amounts.

After payment in full to the Series B Mezzanine Equity Holders, the holders of Series A Redeemable Preferred Equity shall be entitled to receive the amount equal to the consideration paid to the Company plus the interest calculated on the paid amount at an annualized rate of 4.5%, plus all declared but unpaid dividends on such preferred equities. If the distributable assets are insufficient to pay the priority liquidation payment, the remaining distributable assets shall be paid to the Series A Mezzanine Equity Holders.

After payment in full to the Series A Mezzanine Equity Holders, the holders of Series Seed Redeemable Preferred Equity shall be entitled to receive the amount equal to the consideration paid plus the interest calculated on the paid amount at an annualized rate of 4.5%, plus all declared and unpaid dividends on such Mezzanine Equity.

If there are any assets or funds remaining after distribution in full to the holders of preferred equities, the remaining assets and funds remaining for distribution to the shareholders shall be distributed ratably among all equity holders in proportion to the paid amount of par value of the capital.

◆ Redemption

The Mezzanine Equity Holders shall have the right to redeem at any time after the earliest of (i) the failure by the Company to complete a Qualified IPO or acquisition before December 31, 2026, or (ii) if any Mezzanine Equity Holders exercises the repurchase right according to the relevant agreement between him and Guangzhou Youxin.

The redemption price shall be, the sum of (A) the paid consideration plus (B) a simple interest rate of 4.5% per annum for each year such consideration was paid from the settlement date through the date of redemption thereof (one year shall be 365 days) plus (C) all declared but undistributed profit thereon up to the date of redemption.

◆ Accounting for Mezzanine Equity

The Mezzanine Equity is classified as mezzanine equity in the consolidated balance sheets because it is contingently redeemable upon the occurrence of an event outside of the Company's control (e.g. the Company not achieving a Qualified Public Offering or a deemed liquidation event before December 31, 2026). The Mezzanine Equity was determined as mezzanine equity with no embedded feature that are bifurcated and no beneficial conversion features are recognized. The Mezzanine Equity is initially recorded at its respective issuance date fair value, net of issuance cost. The Company did not incur material issuance cost for any Mezzanine Equity issued.

For each reporting period, the Company assesses whether the Preferred Equity are currently redeemable and if the Preferred Equity are not currently redeemable, the Company further assesses whether it is probable that the Preferred Equity will become redeemable. The Company concluded that the Preferred Equity is not currently redeemable, but with the potential become redeemable. As such, the Company shall accrete the mezzanine equity to its redemption value, until the earlier of (i) an IPO of the Company is effective, or (ii) the date of redemption elected by the holder exercising repurchase right. According to ASC 480-10-S99-15, the Company used method a (the interest method) under ASC480-10-S99-15, for subsequent measurement, accreting the carrying value of the preferred equities to their current redemption value as of each period end. The objective in accounting for redeemable securities subsequent to issuance and prior to redemption is to ensure that the securities are carried at their redemption value on their contractual redemption date or on the date the holder's option to redeem is exercisable. The accretions to the redemption price should be charged to retained earnings, or in the absence of retained earnings, by charges against additional paid-in capital or in the absence of additional paid-in-capital, by charges to accumulated deficit. For the year ended September 30, 2025, 2024 and 2023, there was nil, nil and \$326,837 accretions to redeemable preferred equity, respectively.

## ◆ Modification of Mezzanine Equity

Management performed qualitative assessment on the extension of redemption dates to the existing Mezzanine Equity upon the issuance of new Mezzanine Equity. Per management's perspective, such modifications represented the results of negotiations with new investors, and the purpose of these modifications were to attract new investors but not to extinguish the existing Mezzanine Equity. Also, as the Company's business was developing, especially, through the subsequent financing, it would lead to increasing overall valuation, as well as higher possibility to IPO, which would increase the expected benefits for the existing Mezzanine Equity Holders. Therefore, such change shall be considered as reasonable business practice.

Subsequent to the Series B Redeemable Preferred Equity issuance, the Company modified terms for Series Seed/A Redeemable Preferred Equity, i.e., extension to the redemption dates was made to the existing Mezzanine Equity upon the issuance of new series of Mezzanine Equity. According to the amended SHA after each series, the schedule for such changes is shown as below.

<i>Series</i>	<i>Issue date</i>	<i>Initial Redemption Date</i>	<i>Modification</i>
<i>A</i>	2020.07.10	2025.07.10	2026.12.31
<i>B &amp; Seed</i>	2021.05.14	2026.12.31	2026.12.31
<i>Months extended</i>			18

## ◆ Exchange redeemable preferred equity with Class A ordinary shares

For the recapitalization of Youxin Cayman prior to the IPO, in a consolidated transaction, each of the Mezzanine Equity Holders exchanged their redeemable preferred equity in Guangzhou Youxin with Class A ordinary shares in Youxin Cayman. Specifically, on April 21, 2023, Youxin Cayman issued a total of 5,318,548 Class A Shares to the Mezzanine Equity Holders. On April 28, 2023, the WFOE acquired 100% equity of Guangzhou Youxin. As a result of the Reorganization, the Mezzanine Equity Holders exchanged their preferred equities in Guangzhou Youxin with Class A ordinary shares issued by Youxin Cayman. The percentage of equity owned by the Mezzanine Equity Holders did not materially change and these transactions did not result in a net cash flow.

**Note 16 – SHAREHOLDERS' EQUITY***Ordinary Shares*

On October 21, 2022, Youxin Cayman was incorporated as limited liability company with authorized share capital of \$50,000 divided into 50,000,000 shares with par value \$0.001 each. On April 11, 2023, Youxin Cayman's authorized share capital was amended to \$50,000 divided into 500,000,000 ordinary shares consisting of 400,000,000 (post-reverse-split: 5,000,000) Class A ordinary shares, par value \$0.0001 (post-reverse-split: 0.0008) per share, and 100,000,000 Class B ordinary shares, par value \$0.0001 per share. On April 11, 2023, Youxin Cayman issued a total of 8,945,307 Class B ordinary shares and on April 21, 2023, Youxin Cayman issued a total of 22,304,693 (post-reverse-split 278,809) Class A ordinary shares (of which 5,318,548 Class A ordinary shares were issued to former Mezzanine Equity Holders). The issuance of shares effected before the final step of reorganization. Guangzhou Youxin's shareholders obtained the shares issued by Youxin Cayman and agreed to transfer their equity interests to WFOE, see "Note 1".

Holders of Class A ordinary shares and Class B ordinary shares vote together as one class on all matters submitted to a vote by the shareholders at any general meeting of the Company and have the same rights except each Class A ordinary share is entitled to one (1) vote and each Class B ordinary share is entitled to twenty (20) votes. The Class A ordinary shares are not convertible into shares of any other class. Upon any direct or indirect sale, transfer, assignment or disposition, the Class B ordinary shares will be automatically and immediately convertible into Class A ordinary shares on a one-to-one basis.

#### Initial Public Offering

On December 23, 2024, the Company closed its IPO with insurance of 2,300,000) Class A ordinary shares (post-reverse-split: 28,750), par value \$0.0001 per share (post-reverse-split: \$0.008 per share) at \$4.50 per share (post-reverse-split: \$360.00 per share). The gross proceeds of this offering were approximately \$10.4 million prior to deducting the underwriting discounts, commissions and offering expenses payable by the Company. Net proceeds received by the Company from its IPO were approximately \$9.1 million. The Shares were previously approved for listing on the Nasdaq Capital and commenced trading under the ticker symbol “YAAS” on December 20, 2024.

#### September 2025 Public Offering

On September 8, 2025, the Company closed another public offering (the “September 2025 Public Offering”) of 21,428,571 units (post-reverse-split: 267,857 units) (the “Units”) at a public offering price of \$0.28 (post-reverse-split: 22.40 per Unit), with each Unit consisting of: (i) one Class A Ordinary Share (the “Class A Shares”); (ii) one Series A Warrant to purchase one Class A Share (the “Series A Warrants”); (iii) one Series B Warrant to purchase such number of Class A Shares as determined in the Class B Warrant (the “Series B Warrants” and together with the Series A Warrants, the “Warrants”).

Pursuant to the underwriting agreement, the Company also granted to the Underwriter an option to purchase up to 3,214,286 additional Class A Shares (post-reverse-split: 40,179 shares, representing 15.0% of the Units sold in the offering), and/or up to an additional 3,214,286 Series A Warrants and 3,214,286 Series B Warrants at the public offering price less underwriting discounts and commissions. The Underwriter may exercise this option in whole or in part at any time within forty-five (45) days after the date of the offering. The underwriter may exercise the over-allotment option with respect to Class A Shares only, warrants only, or any combination thereof. On September 5, 2025, the Underwriter partially exercised its over-allotment option and purchased additional 3,214,286 Series A warrants and additional 3,214,286 Series B Warrants for a total of 6,428,572 warrants at the public offering price of \$0.00001 per warrant in total consideration of \$64.29.

Gross proceeds to the Company of the September 2025 Public Offering, together with the partial exercise of the over-allotment option, were approximately \$6.0 million, before deducting underwriting fees and other offering expenses payable by the Company. Net proceeds received by the Company were approximately \$5.3 million.

For the year ended September 30, 2025, the partial exercise of Series A Warrants and Series B Warrants have resulted in the issuance of 66,894,433 (post-reverse-split: 836,180) Class A ordinary shares and 73,116,067 (post-reverse-split: 913,951) Class A Ordinary Shares, respectively. Net proceeds from the exercise of Series A Warrants and Series B Warrants were approximately \$4.5 million and \$731, respectively.

#### Shares subscription receivables

Shares subscription receivables represent the receivables for the issuance of ordinary shares of the Company and is reported as a deduction of equity and presented on a retroactive basis. It has no payment terms nor any interest receivable accrual. The shares subscription receivables of \$3,125 as of September 30, 2024 was fully settled during the year ended September 30, 2025.

#### Reverse share split

On August 25, 2025, the Company’s shareholders and Board of Directors approved a 1-for-80 reverse share split of the Company’s issued and outstanding and authorized and unissued Class A ordinary shares of the Company and established an effective date of September 30, 2025. Following the reverse split, the authorized share capital was amended as follows, while the total authorized share capital remained \$50,000:

- (i) Class A Ordinary Shares: from 400,000,000 shares with a par value of \$0.0001 per share to 5,000,000 shares with a par value of \$0.008 per share;

(ii) Class B Ordinary Shares: remained at 100,000,000 shares with a par value of \$0.0001 per share.

All share and per share information has been retroactively adjusted to reflect the reverse share split for all periods presented. As a result, the Company has 5,000,000 authorized Class A Ordinary Shares, par value of \$0.008, of which 2,325,550 and 278,809 shares issued and outstanding as of September 30, 2025 and 2024, respectively.

Representative's Warrants

On December 19, 2024, the Company entered into an underwriting agreement with Aegis Capital Corp. (the "Representative"). The Company issued to the Representative warrants ("Representative's Warrants") to purchase up to aggregate of 115,000 (post-reverse-split: 1,438) Class A ordinary shares with no consideration. The Representative's Warrants are exercisable at an exercise price of \$5.625 per share (post-reverse-split: \$450.00 per share). The effective date of the warrant is December 20, 2024 and the Expiration Date is December 20, 2029.

The issuance of the Representative's Warrants is within the scope of FASB ASC Topic 718, "Compensation-Stock Compensation" ("ASC 718"). Under ASC 718, share-based compensation associated with equity-classified awards is measured at fair value upon the grant date. The Representative's Warrants are required to be recorded as a component of additional paid-in capital at the time of issuance and subsequent changes in fair value are not recognized as long as the Representative's Warrants continue to be classified as equity. None of the Representative's Warrants were exercised as of September 30, 2025.

The fair value of Representative's Warrants was determined using the Binomial Tree Pricing Model and the following assumptions:

	December 20, 2024
Share price (post-reverse-split)	\$ 316
Risk free interest rate	4.37%
Expected life (years)	5
Expected volatility	84.5%

The following table summarizes the Company's activities and status of the Representative's Warrants:

	Number of Warrant*	Weighted Average Exercise Price	Weighted Average Remaining Term (Years)
Outstanding as of September 30, 2024	-	-	
Exercised	1,438	\$ 450	5.0
Forfeited or expired	-		
Outstanding as of September 30, 2025	<u>1,438</u>	<u>\$ 450</u>	<u>4.2</u>

\* The number of warrants, as well as the exercise prices stated herein, have been retroactively adjusted to reflect the reverse stock split that occurred in September 2025.

Series A Warrants and Series B Warrants

The Group evaluates the Series A Warrants and Series B Warrants under Accounting Standards Codification ("ASC") 815-40, Derivatives and Hedging—Contracts in Entity's Own Equity. Series A Warrants and Series B Warrants are recorded as liabilities at their fair value on issuance and being remeasured on each reporting date with any change in the fair value recognized under "Change in fair value of warrant liabilities" on the Company's consolidated statements of operations and comprehensive loss.

The following table summarizes the activities related to fair value of the Series A Warrants and Series B Warrants for the year ended September 30, 2025 is as follows:

	Total Valuation	Series A Warrants (a)		Series B Warrants (b)	
		Share (Pre-reverse-split)	Valuation	Share (Pre-reverse-split)	Valuation
	US\$				
Balance at beginning of the year	\$ -	-	\$ -	-	\$ -
Issuance (c)	11,800,162	102,831,577	6,027,678	73,317,543	5,772,484
Fair value changes	(2,647,942)	-	(3,022,980)	-	375,038
Exercise	(8,249,933)	(66,894,433)	(2,110,348)	(73,116,067)	(6,139,585)
Balance at end of the year	\$ 902,287	35,937,144	\$ 894,350	201,476	\$ 7,937

(a) On September 8, 2025, the Company closed the September 2025 Public Offering and issued and sold 24,642,857 Series A Warrants to purchase 24,642,857 Class A Ordinary Share. The Series A Warrants will be exercisable immediately and will expire five years after the closing date. The Company uses the Monte Carlo Model to value the Series A Warrants. The Company accounted for the Series A warrants as liabilities and the fair value allocated to the Series A Warrants on the issuance date is \$6,027,678, and a gain on change in fair value of warrant liabilities was \$3,022,980 during the year ended September 30, 2025.

Each Series A Warrant is exercisable at an exercise price of \$0.28 (post-reverse-split: \$22.4) per share. According to the terms of the Series A Warrant, on the tenth trading days and six months after the closing date, the exercise price of the Series A Warrants will reset based on the price as determined in the Series A Warrant. As a result, the exercise price of the Warrants adjusted to \$0.0671 (post-reverse-split: \$5.368) per share and the number of share issuable under the Series A Warrant (“Series A Warrant Shares”) have been adjusted to 102,831,577 (post-reverse-split: 1,285,406) on the tenth trading days after the closing of the offering.

During the year ended September 30, 2025, the exercise of Series A Warrants have resulted in the issuance of 66,894,433 (post-reverse-split: 836,180) Class A ordinary shares at an exercise price of \$0.0671 (post-reverse-split: \$5.368) per share. The fair value of Series A warrants upon exercise in aggregate of \$2,110,348, in addition to the proceeds received of approximately \$4.5 million, resulting in a total of \$6,597,347 were charged to equity.

After the exercise, the number of remaining unexercised Series A Warrant Shares is 35,937,144 (post-reverse-split 449,226), with a corresponding fair value of \$894,350.

The fair value of Series A Warrants was determined using the Monte Carlo Model and the following assumptions:

	September 30, 2025		September 8, 2025	
Initial floor price (post-reverse-split)	\$	4.55	\$	4.55
Share price (post-reverse-split)	\$	3.15	\$	6.46
Exercise price (post-reverse-split)	\$	5.37	\$	22.40
Risk free interest rate		3.74%		3.57%
Expected life (years)		4.9		5
Expected volatility		86.8%		86.9%

(b) On September 8, 2025, the Company closed the September 2025 Public Offering and issued and sold 24,642,857 Series B Warrants. The Series B Warrants will be exercisable immediately with no expiration. The Company accounted for the Series B warrants as liabilities and the fair value allocated to the Series B Warrant on the issuance date is \$5,772,484, and a loss on change in fair value of warrant liabilities was \$375,038 during the year ended September 30, 2025.

Each Series B Warrant is exercisable at an exercise price of \$0.00001 (post-reverse-split: \$0.0008) per share. The number of the Class A Shares issuable upon the exercise of the Series B Warrants will initially be zero. The number of Class A Shares issuable upon the exercise of the Series B Warrants will be adjusted to equal an amount equal to the aggregate purchase price paid for the Units at the closing of the offering divided by the adjustment price, less the number of Units issued on the closing date as further described in the Series B Warrants. As a result, the number of share issuable under the Series B Warrants (“Series B Warrant Shares”) in aggregate have been adjusted to 73,317,543 (post-reverse-split: 916,471).

For the year ended September 30, 2025, the exercise of Series B Warrants has resulted in the issuance of 73,116,067 (post-reverse-split: 913,951) Class A ordinary shares at an exercise price of \$0.00001 (post-reverse-split: \$0.0008) per share. The fair value of warrants upon exercise in aggregate of \$6,139,585, in addition to the proceed received of \$731, resulting in a total of \$6,140,316 were charged to equity.

After the exercise, the number of remaining unexercised Series B Warrant Shares as of September 30, 2025 is 201,476 (post-reverse-split 2,520), with a corresponding fair value of \$7,937.

The Company uses the Monte Carlo Model to value the Series B Warrants. Under the Monte Carlo Simulation Model, the share price result paths and corresponding exercise prices and the number of shares issuable upon the exercise were derived. Each Series B Warrant Share resulted from Monte Carlo Simulation Model is the input for the Black-Scholes Model, and then the fair value of the warrants was derived by the trial values as of the valuation date based on the mean of the total trial values. Since Series B Warrants have no expiration, the Company adopts the 10-year and 15-year terms as inputs into the Black-Scholes Model, and the final result is taken as the average of the 10-year and 15-year outcomes.

The fair value was determined using the Monte Carlo Model and Black-Scholes Model and the following assumptions:

	September 30, 2025				September 8, 2025			
	10 Year		15 Year		10 Year		15 Year	
Initial floor price (post-reverse-split)	\$	4.55	\$	4.55	\$	4.55	\$	4.55
Share price (post-reverse-split)	\$	3.15	\$	3.15	\$	6.46	\$	6.46
Initial exercise price (post-reverse-split)	\$	0.0008	\$	0.0008	\$	0.0008	\$	0.0008
Risk free interest rate		4.16%		4.43%		4.05%		4.35%
Expected life (years)		10		15		10		15
Expected volatility		80.3%		80.4%		80.44%		80.5%

(c) Upon issuance of the Class A ordinary share and Series A and B Warrant in the September 2025 Public Offering, the Company received net proceed of \$5.3 million, after deducting underwriting fees and other offering expenses. As both Series A and B Warrant were accounted for as warrant liabilities, and the fair value of the Series A and B Warrant in the initial date is \$11.8 million, which is exceed the proceeds received in the September 2025 Public Offering. A day-one loss amounting to \$ 5,802,241 is recognized to the extent the recognized fair value of Series A and B Warrant exceeds the proceeds received as loss on issuance of warrant liabilities on the consolidated statements of operations.

**Note 17 – COMMITMENTS AND CONTINGENCIES**

■ Contingencies

In the ordinary course of business, the Company may be subject to legal proceedings regarding contractual and employment relationships and a variety of other matters. The Company records contingent liabilities resulting from such claim, when a loss is assessed to be probable, and the amount of the loss is reasonably estimable per guidance of ASC Topic 450-20 — Loss Contingencies.

As of September 30, 2025, the Company is involved in three separate legal cases with one former employee.

Labor Arbitration Claim (Case 1)

In July 2024, the Company became subject to a labor arbitration claim. In connection with this matter, certain funds totaling \$24,298 (RMB 172,980) were restricted by the court. As of September 30, 2025, the arbitration remains pending.

Resolved Labor Dispute (Case 2)

In September 2025, a labor-related legal matter was resolved following a first-instance court judgment. Pursuant to the judgment, the Company was required to pay wage differentials for a specified period, together with an immaterial case filing fee. The Company settled the related amounts of approximately \$7,703 (RMB 54,837) in October 2025.

Appealed Labor Dispute (Case 3)

In December 2025, a first-instance judgment was issued in connection with another labor dispute, requiring the Company to make a payment to the plaintiff. The Company has appealed the judgment and is in the process of completing the appeal procedures. As of the reporting date, the appeal is pending.

As of September 30, 2025 and 2024, the Company's accrued provision for its ongoing litigation matters was \$24,459 and nil respectively, which was recorded in accrued expenses and other current liabilities in its consolidated financial statements. There was no further update as the date that the consolidated financial statements are available to be issued.

**Note 18 - CONCENTRATIONS AND RISKS**

■ Concentrations

(a) Customer

The following table sets forth information as to each customer that accounted for 10% or more of net revenue for the years ended September 30, 2025, 2024 and 2023.

Customer	Years Ended September 30,					
	2025		2024		2023	
	Amount	%	Amount	%	Amount	%
Customer B	\$ 208,531	39%	\$ 134,551	26%	\$ 147,268	16%
Customer E	112,528	21%	-	-	-	-
Customer F	89,172	16%	-	-	-	-
Customer A	19,464	4%	194,598	37%	264,686	30%
Customer C	28,031	5%	-	-	142,807	16%
Customer D	-	-	75,562	14%	121,509	14%
<b>Total</b>	<b>\$ 457,726</b>	<b>85%</b>	<b>\$ 404,711</b>	<b>77%</b>	<b>\$ 676,270</b>	<b>76%</b>

The following table sets forth information as to each customer that accounted for 10% or more of total gross accounts receivable as of September 30, 2025 and 2024.

Customer	September 30, 2025		September 30, 2024	
	Amount	% of Total	Amount	% of Total
Customer B	\$ 176,534	83%	\$ 121,524	73%
Customer A	24,344	11%	-	-
Customer E	1,397	1%	29,412	17%
<b>Total</b>	<b>\$ 202,275</b>	<b>95%</b>	<b>\$ 150,936</b>	<b>90%</b>

(b) Suppliers

The following table sets forth information as to each supplier that accounted for 10% or more of purchase for the years ended September 30, 2025 and 2024.

Supplier	Years Ended September 30,					
	2025		2024		2023	
	Amount	%	Amount	%	Amount	%
Supplier A	\$ 87,270	37%	\$ 112,285	37%	\$ 205,573	46%
Supplier B	27,872	12%	36,047	12%	59,604	13%
Supplier C	33,585	14%	-	-	-	-
Supplier F	26,448	11%	-	-	-	-
<b>Total</b>	<b>\$ 175,175</b>	<b>74%</b>	<b>\$ 148,332</b>	<b>49%</b>	<b>\$ 265,177</b>	<b>59%</b>

The following table sets forth information as to each supplier that accounted for 10% or more of total accounts payable as of September 30, 2025 and 2024.

Supplier	September 30, 2025		September 30, 2024	
	Amount	% of Total	Amount	% of Total
Supplier D	\$ 17,559	51%	\$ 17,812	57%
Supplier E	13,345	39%	13,537	43%
Supplier G	3,286	10%	-	-%
<b>Total</b>	<b>\$ 34,190</b>	<b>100%</b>	<b>\$ 31,349</b>	<b>100%</b>

■ Currency risk

A majority of the Company's expense transactions are denominated in RMB and a significant portion of the Company and its subsidiaries' assets and liabilities are denominated in RMB. RMB is not freely convertible into foreign currencies. In the PRC, certain foreign exchange transactions are required by law to be transacted only by authorized financial institutions at exchange rates set by the People's Bank of China ("PBOC"). Remittances in currencies other than RMB by the Company in China must be processed through the PBOC or other Company foreign exchange regulatory bodies which require certain supporting documentation in order to affect the remittance.

■ Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. As of September 30, 2025 and 2024, substantially all of the Company's cash were held by major financial institutions located in the PRC, which management believes are of high credit quality.

Other credit risk consists principally of accounts receivable, prepaid expenses and due from related parties. A portion of the Company's sales are credit sales which are to the customers whose ability to pay is dependent upon the industry economics prevailing in these areas; however, concentrations of credit risk with respect to trade accounts receivables is limited due to generally short payment terms. The Company also performs ongoing credit evaluations of its customers to help further reduce credit risk.

**Note 19 – SEGMENT REPORTING**

The Company operates as one operating and reportable segment and its sole business activity provides SaaS and PaaS service committed to helping retail enterprises digitally transform their businesses using the Company’s cloud-based SaaS product and PaaS platform to develop, use, and control business applications without the need to purchase complex IT infrastructure.

The accounting policies of the segment are the same as those described in “Note 3 — Summary of Significant Accounting Policies.” The Company’s CODM uses consolidated net loss to measure segment profit or loss and assesses performance against expectations to make resource allocation decisions.

Additionally, the CODM reviews and uses functional expenses included in consolidated net loss to manage the Company’s operations and assess operating profitability. The Company operates as one operating and reportable segment, and as such the significant segment expenses regularly provided to the CODM are those presented on the consolidated statements of operations and comprehensive loss. These significant segment expenses include cost of revenue, selling, general and administrative, and research and development expenses. Other segment items that are presented on the consolidated statements of operations and comprehensive loss include other income, other expenses, and income tax expenses.

**Note 20 - SUBSEQUENT EVENT**

On September 22, 2025, the Company entered into a definitive agreement with Celnet Technology Co., Ltd. (“Celnet”, “Target Company”), a provider of information integration and management solutions for businesses and the largest Salesforce.com partner in China. On October 29, 2025 (the “Closing Date”), the Company completed an acquisition (the “Acquisition”) of Celnet. After the Acquisition, the Company acquired 51% of the equity interests in Celnet in consideration of the sum of RMB5,236,680 in cash (approximately \$735,592), plus equity and cash incentives (upon the achievement of performance targets), subject to certain terms.

As of the date of this report, RMB 3,000,000 of the fixed consideration has been paid in two installments of RMB 1,500,000 each, on September 25, 2025 and November 11, 2025, respectively. The remaining fixed consideration of RMB 2,236,680, together with any variable consideration, is scheduled to be paid in two phases: the first phase includes a fixed portion of RMB 1,118,340 plus a variable portion, to be paid by December 31, 2026; the second phase includes a fixed portion of RMB 1,118,340 plus a variable portion, to be paid by December 31, 2027. The specific amount of the variable consideration will be determined by the Company based on the operating performance of the Target Company.

The original shareholder committed that, following closing, the Target Company would achieve annual revenue of at least RMB 15,000,000 and non-negative after-tax net profit. If the audited after-tax net profit is negative in any fiscal year, the original shareholder would compensate the Company in cash based on the Company’s ownership percentage. In addition, the Company may issue shares equivalent to USD 1,000,000 to the original shareholder of the Target Company as an incentive. The timing and number of shares to be issued will be determined by the Company and the Target Company.

The settlement method, amount, and timing of the variable consideration, performance-based compensation, and stock incentive arrangements are subject to further discussion between the parties. No other consideration, commitments, or undisclosed arrangements exist in connection with this transaction.

As of January 28, 2026, management has not yet completed a fair value assessment of the identified assets acquired, and liabilities assumed, of Celnet at the Closing Date. Accordingly, no estimate is currently made for any goodwill or bargain purchase gain that may be recognized in connection with the Acquisition.

**Companies Act (Revised)**  
**Company Limited by Shares**  
**Youxin Technology Ltd**

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**FOURTH AMENDED AND RESTATED**

**MEMORANDUM OF ASSOCIATION**

**(adopted by special resolution passed on August 25, 2025 and effective on September 30, 2025)**

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**Companies Act (Revised)**  
**Company Limited by Shares**  
**Fourth Amended and Restated Memorandum of Association**  
**of**  
**Youxin Technology Ltd**

**(adopted by special resolution passed on August 25, 2025 and effective on September 30, 2025)**

- 1 The name of the Company is Youxin Technology Ltd.
  - 2 The Company's registered office will be situated at the office of Ogier Global (Cayman) Limited, 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands or at such other place in the Cayman Islands as the directors may at any time decide.
  - 3 The Company's objects are unrestricted. As provided by section 7(4) of the Companies Act (Revised), the Company has full power and authority to carry out any object not prohibited by any law of the Cayman Islands.
  - 4 The Company has unrestricted corporate capacity. Without limitation to the foregoing, as provided by section 27 (2) of the Companies Act (Revised), the Company has and is capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit.
  - 5 Nothing in any of the preceding paragraphs permits the Company to carry on any of the following businesses without being duly licensed, namely:
    - (a) the business of a bank or trust company without being licensed in that behalf under the Banks and Trust Companies Act (Revised); or
    - (b) insurance business from within the Cayman Islands or the business of an insurance manager, agent, sub-agent or broker without being licensed in that behalf under the Insurance Act (Revised); or
    - (c) the business of company management without being licensed in that behalf under the Companies Management Act (Revised).
  - 6 Unless licensed to do so, the Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of its business carried on outside the Cayman Islands. Despite this, the Company may effect and conclude contracts in the Cayman Islands and exercise in the Cayman Islands any of its powers necessary for the carrying on of its business outside the Cayman Islands.
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- 7 The Company is a company limited by shares and accordingly the liability of each member is limited to the amount (if any) unpaid on that member's shares.
- 8 The share capital of the Company is USD50,000 divided into (i) 5,000,000 class A ordinary shares of USD0.008 par value each and (ii) 100,000,000 class B ordinary shares of USD0.0001 par value each. Subject to the Companies Act (Revised) and the Company's articles of association, the Company has power to do any one or more of the following:
- (a) to redeem or repurchase any of its shares; and
  - (b) to increase or reduce its capital; and
  - (c) to issue any part of its capital (whether original, redeemed, increased or reduced):
    - (i) with or without any preferential, deferred, qualified or special rights, privileges or conditions; or
    - (ii) subject to any limitations or restrictionsand unless the condition of issue expressly declares otherwise, every issue of shares (whether declared to be ordinary, preference or otherwise) is subject to this power; or
  - (d) to alter any of those rights, privileges, conditions, limitations or restrictions.
- 9 The Company has power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.
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**Companies Act (Revised)**  
**Company Limited by Shares**  
**Youxin Technology Ltd**

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**FOURTH AMENDED AND RESTATED**

**ARTICLES OF ASSOCIATION**

**(adopted by special resolution passed on August 25, 2025 and effective on September 30, 2025)**

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**Companies Act (Revised)**  
**Company Limited by Shares**  
**Fourth Amended and Restated Articles of Association**  
**of**  
**Youxin Technology Ltd**

**(adopted by special resolution passed on August 25, 2025 and effective on September 30, 2025)**

**1 Definitions, interpretation and exclusion of Table A**

**Definitions**

1.1 In these Articles, the following definitions apply:

**Act** means the Companies Act (Revised) of the Cayman Islands, including any statutory modification or re-enactment thereof for the time being in force;

**Affiliate** means in respect of a person or entity, any other person or entity that, directly or indirectly (including through one or more intermediaries), controls, is controlled by, or is under common control with, such person or entity, and (i) in the case of a natural person, shall include, without limitation, such person's spouse, parents, children, siblings, mother-in-law and father-in-law, son-in-law, daughter-in-law and brothers and sisters-in-law, a trust solely for the benefit of any of the foregoing, a company, partnership or entity wholly owned by one or more of the foregoing, and (ii) in the case of an entity, shall include a partnership, a corporation or any natural person or entity which directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such entity. The term "**control**" in this definition shall mean the ownership, directly or indirectly, of securities possessing more than fifty percent (50%) of the voting power of the corporation, or the partnership or other entity (other than, in the case of corporation, securities having such power only by reason of the happening of a contingency not within the reasonable control of such partnership, corporation, natural person or entity), or having the power to control the management or elect a majority of members to the board of directors or equivalent decision-making body of such corporation, partnership or other entity;

**Articles** means, as appropriate:

- (a) these articles of association as amended from time to time: or
- (b) two or more particular articles of these Articles;

and **Article** refers to a particular article of these Articles;

**Auditors** means the auditor or auditors for the time being of the Company;

**Board** means the board of Directors from time to time;

**Business Day** means a day when banks in Grand Cayman, the Cayman Islands are open for the transaction of normal banking business and for the avoidance of doubt, shall not include a Saturday, Sunday or public holiday in the Cayman Islands;

**Cayman Islands** means the British Overseas Territory of the Cayman Islands;

**Class A Shares** means the class A ordinary shares of the Company with a par value of USD0.008 each, which have the rights set forth in the Memorandum and these Articles;

**Class B Shares** means the class B ordinary shares of the Company with a par value of USD0.0001 each, which have the rights set forth in the Memorandum and these Articles;

**Class B Majority** means the holders of a majority of the votes of the outstanding Class B Shares;

**Clear Days**, in relation to a period of notice, means that period excluding:

- (a) the day when the notice is given or deemed to be given; and
- (b) the day for which it is given or on which it is to take effect;

**Commission** means Securities and Exchange Commission of the United States of America or other federal agency for the time being administering the U.S. Securities Act;

**Company** means the above-named company;

**Conversion Date** means in respect of a Conversion Notice means the day on which that Conversion Notice is delivered;

**Conversion Notice** means a written notice delivered to the Company at its office (and as otherwise stated therein) stating that a holder of Class B Shares elects to convert the number of Class B Shares specified therein pursuant to Article 2.8(a);

**Conversion Number** in relation to any Class B Shares, such number of Class A Shares as may, upon exercise of the Conversion Right, be issued at the Conversion Rate;

**Conversion Rate** in relation to the conversion of Class B Shares to Class A Shares means, at any time, on a 1:1 basis. The foregoing Conversion Rate shall also be adjusted to account for any subdivision (by share split, subdivision, exchange, capitalisation, rights issue, reclassification, recapitalisation or otherwise) or combination (by reverse share split, share consolidation, exchange, reclassification, recapitalisation or otherwise) or similar reclassification or recapitalisation of the Class A Shares in issue into a greater or lesser number of shares occurring after the original filing of the Articles without a proportionate and corresponding subdivision, combination or similar reclassification or recapitalisation of the Class B Shares in issue;

**Conversion Right** in respect of a holder of Class B Shares, subject to the provisions of these Articles and to any applicable fiscal or other laws or regulations including the Act, to convert all or any of its Class B Shares into the Conversion Number of Class A Shares in its discretion;

**Default Rate** means ten per cent per annum;

**Designated Stock Exchanges** means NASDAQ Stock Market in the United States of America for so long as any class of the Company's Shares are there listed and any other stock exchange on which any class of the Company's Shares are listed for trading;

**Designated Stock Exchange Rules** means the relevant code, rules and regulations, as amended, from time to time, applicable as a result of the original and continued listing of any Shares on the Designated Stock Exchanges;

**Directors** means the directors for the time being of the Company, and the expression Director shall be construed accordingly;

**Electronic** has the meaning given to that term in the Electronic Transactions Act (Revised) of the Cayman Islands;

**Electronic Communication Facilities** means video, video-conferencing, internet or online conferencing applications, telephone or tele-conferencing and/or any other video-communications, internet or online conferencing application or telecommunications facilities by means of which all persons participating in a meeting are capable of hearing and being heard by each other;

**Electronic Record** has the meaning given to that term in the Electronic Transactions Act (Revised) of the Cayman Islands;

**Electronic Signature** has the meaning given to that term in the Electronic Transactions Act (Revised) of the Cayman Islands;

**Fully Paid Up** means:

- (a) in relation to a Share with par value, means that the par value for that Share and any premium payable in respect of the issue of that Share, has been fully paid or credited as paid in money or money's worth; and
- (b) in relation to a Share without par value, means that the agreed issue price for that Share has been fully paid or credited as paid in money or money's worth;

**general meeting** means a general meeting of the Company duly constituted in accordance with the Articles;

**Independent Director** means a Director who is an independent director as defined in the Designated Stock Exchange Rules as determined by the Board;

**Member** means any person or persons entered on the register of Members from time to time as the holder of a Share;

**Memorandum** means the memorandum of association of the Company as amended from time to time;

**month** means a calendar month;

**Officer** means a person appointed to hold an office in the Company including a Director, alternate Director or liquidator and excluding the Secretary;

**Ordinary Resolution** means a resolution of a duly constituted general meeting of the Company passed by a simple majority of the votes cast by, or on behalf of, the Members who (being entitled to do so) vote in person or by proxy or, in the case of corporations, by their duly authorised representatives, at that meeting. The expression also includes a written resolution signed by the requisite majority in accordance with Article 11.14.

**Partly Paid Up** means:

- (a) in relation to a Share with par value, that the par value for that Share and any premium payable in respect of the issue of that Share, has not been fully paid or credited as paid in money or money's worth; and
- (b) in relation to a Share without par value, means that the agreed issue price for that Share has not been fully paid or credited as paid in money or money's worth;

**Secretary** means a person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;

**Share** means a Class A Share or a Class B Share in the capital of the Company and the expression:

- (a) includes stock (except where a distinction between shares and stock is expressed or implied); and
- (b) where the context permits, also includes a fraction of a Share;

**Special Resolution** means a resolution of a general meeting or a resolution of a meeting of the holders of any class of Shares in a class meeting duly constituted in accordance with the Articles in each case passed by a majority of not less than two-thirds of the votes cast by, or on behalf of, Members who (being entitled to do so) vote in person or by proxy at that meeting. The expression includes a unanimous written resolution signed by all of the Members entitled to vote at such meeting;

**Treasury Shares** means Shares held in treasury pursuant to the Act and Article 2.13;

**U.S. Securities Act** means the Securities Act of 1933 of the United States of America, as amended, or any similar federal statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time; and

**Virtual Meeting** means any general meeting of the Members at which the Members (and any other permitted participants of such meeting, including without limitation the chairman of the meeting and any Directors) are permitted to attend and participate solely by means of Electronic Communication Facilities.

## **Interpretation**

1.2 In the interpretation of these Articles, the following provisions apply unless the context otherwise requires:

- (a) A reference in these Articles to a statute is a reference to a statute of the Cayman Islands as known by its short title, and includes:
  - (i) any statutory modification, amendment or re-enactment; and
  - (ii) any subordinate legislation or regulations issued under that statute.

Without limitation to the preceding sentence, a reference to a revised Act of the Cayman Islands is taken to be a reference to the revision of that Act in force from time to time as amended from time to time.

- (b) Headings are inserted for convenience only and do not affect the interpretation of these Articles, unless there is ambiguity.
- (c) If a day on which any act, matter or thing is to be done under these Articles is not a Business Day, the act, matter or thing must be done on the next Business Day.
- (d) A word which denotes the singular also denotes the plural, a word which denotes the plural also denotes the singular, and a reference to any gender also denotes the other genders.
- (e) A reference to a **person** includes, as appropriate, a company, trust, partnership, joint venture, association, body corporate or government agency.
- (f) Where a word or phrase is given a defined meaning another part of speech or grammatical form in respect to that word or phrase has a corresponding meaning.
- (g) All references to time are to be calculated by reference to time in the place where the Company's registered office is located.
- (h) The words **written** and **in writing** include all modes of representing or reproducing words in a visible form, but do not include an Electronic Record where the distinction between a document in writing and an Electronic Record is expressed or implied.

- (i) The words **including, include and in particular** or any similar expression are to be construed without limitation.
- (j) The term “**present**” means, in respect of any person attending a meeting, such person’s presence at a general meeting of Members (or any meeting of the holders of any class of Shares), which may be satisfied by means of such person or, if a corporation or other non-natural person, its duly authorized representative (or, in the case of any Member, a proxy which has been validly appointed by such Member in accordance with these Articles), being: (a) physically present at the meeting; or (b) in the case of any meeting at which Electronic Communication Facilities are permitted in accordance with these Articles, including any Virtual Meeting, connected by means of the use of such Electronic Communication Facilities.

1.3 The headings in these Articles are intended for convenience only and shall not affect the interpretation of these Articles.

**Exclusion of Table A Articles**

1.4 The regulations contained in Table A in the First Schedule of the Act and any other regulations contained in any statute or subordinate legislation are expressly excluded and do not apply to the Company.

**2 Shares**

**Power to issue Shares and options, with or without special rights**

2.1 Subject to the provisions of the Act and these Articles about the redemption and purchase of the Shares, the Directors have general and unconditional authority to allot (with or without confirming rights of renunciation), grant options over or otherwise deal with any unissued Shares to such persons, at such times and on such terms and conditions as they may decide, provided that no Class B Shares shall be issued without the prior consent of the Class B Majority (which consent may be obtained either by written consent signed by the Class B Majority or by a vote at a separate general meeting of the holders of the Class B Shares). No Share may be issued at a discount except in accordance with the provisions of the Act. Subject to the Act, the Company may issue fractions of a Share of any class. A fraction of a Share shall be subject to and carry the corresponding fraction of liabilities (whether with respect to calls or otherwise), limitations, preferences, privileges, qualifications, restrictions, rights and other attributes of a Share of that class of Shares.

2.2 Without limitation to the preceding Article, the Directors may so deal with the unissued Shares:

- (a) either at a premium or at par; or
- (b) with or without preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise.

2.3 Without limitation to the two preceding Articles, the Directors may refuse to accept any application for Shares, and may accept any application in whole or in part, for any reason or for no reason.

#### **Power to pay commissions and brokerage fees**

2.4 The Company may pay a commission to any person in consideration of that person:

- (a) subscribing or agreeing to subscribe, whether absolutely or conditionally; or
- (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,

for any Shares. That commission may be satisfied by the payment of cash or the allotment of Fully Paid Up or Partly Paid Up Shares or partly in one way and partly in another.

2.5 The Company may employ a broker in the issue of its capital and pay him any proper commission or brokerage.

#### **Trusts not recognised**

2.6 Except as required by law:

- (a) no person shall be recognised by the Company as holding any Share on any trust; and
- (b) no person other than the Member shall be recognised by the Company as having any right in a Share.

#### **Security interests**

2.7 Notwithstanding the preceding Article, the Company may (but shall not be obliged to) recognise a security interest of which it has actual notice over shares. The Company shall not be treated as having recognised any such security interest unless it has so agreed in writing with the secured party.

#### **Rights of Shares**

2.8 Subject to Article 2.1, the Memorandum and any special resolution of the Members to the contrary and without prejudice to any special rights conferred thereby on the holders of any other Shares or class of Shares, Class A Shares and Class B Shares shall carry equal rights and rank *pari passu* with one another in all respects other than as set out below:

- (a) Conversion Rights:
  - (i) Subject to the provisions hereof and to compliance with all fiscal and other laws and regulations applicable thereto, including the Act, a holder of Class B Shares shall have the Conversion Right in respect of each Class B Share in its holding. For the avoidance of doubt, a holder of Class A Shares shall have no rights to convert Class A Shares into Class B Shares under any circumstances.

- (ii) Each Class B Share shall be converted at the option of the holder, at any time after issuance and without the payment of any additional sum, into such Conversion Number of fully paid Class A Shares calculated at the Conversion Rate. Such conversion shall take effect on the Conversion Date. A Conversion Notice shall not be effective if it is not accompanied by the share certificates in respect of the relevant Class B Shares and/or such other evidence (if any) as the Directors may reasonably require to prove the title of the person exercising such right (or, if such certificates have been lost or destroyed, such evidence of title and such indemnity as the Directors may reasonably require). Any and all taxes and stamp, issue and registration duties (if any) arising on conversion shall be borne by the holder of Class B Shares requesting conversion.
- (iii) On the Conversion Date, subject to the Act, any conversion of Class B Shares into Class A Shares pursuant to these Articles shall be effected by repurchasing the relevant Class B Shares and in consideration therefor issuing fully-paid Class A Shares in equal number with such rights and restrictions attached thereto and shall rank *pari passu* in all respects with the Class A Shares then in issue and the Company shall enter or procure the entry of the name of the relevant holder of converted Class B Shares as the holder of the corresponding number of Class A Shares resulting from the conversion of the Class B Shares in, and make any other necessary and consequential changes to, the register of Members and shall procure that certificates in respect of the relevant Class A Shares, together with a new certificate for any unconverted Class B Shares comprised in the certificate(s) surrendered by the holder of the Class B Shares, are issued to the holders thereof. Such conversion shall become effective forthwith upon entries being made in the Register of Members to record the conversion of the relevant Class B Shares into Class A Shares.
- (iv) Until such time as the Class B Shares have been converted into Class A Shares, the Company shall:
  - (A) at all times keep available for issue and free of all liens, charges, options, mortgages, pledges, claims, equities, encumbrances and other third-party rights of any nature, and not subject to any pre-emptive rights out of its authorised but unissued share capital, such number of authorised but unissued Class A Shares as would enable all Class B Shares to be converted into Class A Shares and any other rights of conversion into, subscription for or exchange into Class A Shares to be satisfied in full; and
  - (B) not make any issue, grant or distribution or take any other action if the effect would be that on the conversion of the Class B Shares to Class A Shares it would be required to issue Class A Shares at a price lower than the par value thereof.

- (b) Voting Rights:
- (i) Holders of Class A Shares and Class B Shares have the right to receive notice of, attend, speak and vote at general meetings of the Company. Holders of shares of Class A Shares and Class B Shares shall, at all times, vote together as a single class on all matters submitted to a vote for Members' consent.
  - (ii) Each Class A Share shall be entitled to one (1) vote on all matters subject to the vote by Members.
  - (iii) Each Class B Share shall be entitled to twenty (20) votes on all matters subject to the vote by Members.
- (c) Transfer
- (i) Upon any sale, transfer, assignment or disposition of Class B Shares by a holder thereof to any person or entity which is not an Affiliate of such holder, such Class B Shares validly transferred to the new holder shall be automatically and immediately converted into such Conversion Number of Class A Shares calculated based on the Conversion Rate.
  - (ii) For the avoidance of doubt, (i) a sale, transfer, assignment or disposition shall be effective upon the Company's registration of such sale, transfer, assignment or disposition in the Company's register of Members; and (ii) the creation of any pledge, charge, encumbrance or other third party right of whatever description on any of Class B Shares to secure a holder's contractual or legal obligations shall not be deemed as a sale, transfer, assignment or disposition unless and until any such pledge, charge, encumbrance or other third party right is enforced and results in the third party holding fee simple ownership interest to the related Class B Shares, in which case all the related Class B Shares shall be automatically converted into the same number of Class A Shares upon the Company's registration of the third party or its designee as a Member holding that number of Class A Shares in the register of Members.

**Power to vary class rights**

2.9 If the share capital is divided into different classes of Shares then, unless the terms on which a class of Shares was issued state otherwise, the rights attaching to a class of Shares may only be varied if one of the following applies:

- (a) the Members holding not less than two-thirds of the issued Shares of that class consent in writing to the variation; or

(b) the variation is made with the sanction of a Special Resolution passed at a separate general meeting of the Members holding the issued Shares of that class.

2.10 For the purpose of Article 2.9(b), all the provisions of these Articles relating to general meetings apply, *mutatis mutandis*, to every such separate meeting except that the necessary quorum shall be one or more persons holding, or representing by proxy, not less than one third of the issued Shares of the class.

2.11 For the purposes of a separate class meeting, the Directors may treat two or more or all the classes of Shares as forming one class of Shares if the Directors consider that such classes of Shares would be affected in the same way by the proposals under consideration, but in any other case shall treat them as separate classes of Shares.

**Effect of new Share issue on existing class rights**

2.12 Unless the terms on which a class of Shares was issued state otherwise, the rights conferred on the Member holding Shares of any class shall not be deemed to be varied by the creation or issue of further Shares ranking *pari passu* with the existing Shares of that class.

**No bearer Shares or warrants**

2.13 The Company shall not issue Shares or warrants to bearers.

**Treasury Shares**

2.14 Shares that the Company purchases, redeems or acquires by way of surrender in accordance with the Act shall be held as Treasury Shares and not treated as cancelled if:

- (a) the Directors so determine prior to the purchase, redemption or surrender of those shares; and
- (b) the relevant provisions of the Memorandum and Articles and the Act are otherwise complied with.

**Rights attaching to Treasury Shares and related matters**

2.15 No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to Members on a winding up) may be made to the Company in respect of a Treasury Share.

2.16 The Company shall be entered in the register of Members as the holder of the Treasury Shares. However:

- (a) the Company shall not be treated as a Member for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void; and

(b) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of these Articles or the Act.

2.17 Nothing in Article 2.16 prevents an allotment of Shares as Fully Paid Up bonus shares in respect of a Treasury Share and Shares allotted as Fully Paid Up bonus shares in respect of a Treasury Share shall be treated as Treasury Shares.

2.18 Treasury Shares may be disposed of by the Company in accordance with the Act and otherwise on such terms and conditions as the Directors determine.

### **Register of Members**

2.19 The Directors shall keep or cause to be kept a register of Members as required by the Act and may cause the Company to maintain one or more branch registers as contemplated by the Act, provided that where the Company is maintaining one or more branch registers, the Directors shall ensure that a duplicate of each branch register is kept with the Company's principal register of Members and updated within such number of days of any amendment having been made to such branch register as may be required by the Act.

2.20 The title to Shares listed on a Designated Stock Exchange may be evidenced and transferred in accordance with the laws applicable to the rules and regulations of the Designated Stock Exchange and, for these purposes, the register of Members may be maintained in accordance with Section 40B of the Act.

### **Annual Return**

2.21 The Directors in each calendar year shall prepare or cause to be prepared an annual return and declaration setting forth the particulars required by the Act and shall deliver a copy thereof to the registrar of companies for the Cayman Islands.

## **3 Share certificates**

### **Issue of share certificates**

3.1 A Member shall only be entitled to a share certificate if the Directors resolve that share certificates shall be issued. Share certificates representing Shares, if any, shall be in such form as the Directors may determine. If the Directors resolve that share certificates shall be issued, upon being entered in the register of Members as the holder of a Share, the Directors may issue to any Member:

(a) without payment, one certificate for all the Shares of each class held by that Member (and, upon transferring a part of the Member's holding of Shares of any class, to a certificate for the balance of that holding); and

(b) upon payment of such reasonable sum as the Directors may determine for every certificate after the first, several certificates each for one or more of that Member's Shares.

3.2 Every certificate shall specify the number, class and distinguishing numbers (if any) of the Shares to which it relates and whether they are Fully Paid Up or Partly Paid Up. A certificate may be executed under seal or executed in such other manner as the Directors determine.

3.3 Every certificate shall bear legends required under the applicable laws, including the U.S. Securities Act (to the extent applicable).

3.4 The Company shall not be bound to issue more than one certificate for Shares held jointly by several persons and delivery of a certificate for a Share to one joint holder shall be a sufficient delivery to all of them.

#### **Renewal of lost or damaged share certificates**

3.5 If a share certificate is defaced, worn-out, lost or destroyed, it may be renewed on such terms (if any) as to:

(a) evidence;

(b) indemnity;

(c) payment of the expenses reasonably incurred by the Company in investigating the evidence; and

(d) payment of a reasonable fee, if any for issuing a replacement share certificate,

as the Directors may determine, and (in the case of defacement or wearing-out) on delivery to the Company of the old certificate.

#### **4 Lien on Shares**

##### **Nature and scope of lien**

4.1 The Company has a first and paramount lien on all Shares (whether Fully Paid Up or not) registered in the name of a Member (whether solely or jointly with others). The lien is for all monies payable to the Company by the Member or the Member's estate:

(a) either alone or jointly with any other person, whether or not that other person is a Member; and

(b) whether or not those monies are presently payable.

4.2 At any time the Board may declare any Share to be wholly or partly exempt from the provisions of this Article.

**Company may sell Shares to satisfy lien**

4.3 The Company may sell any Shares over which it has a lien if all of the following conditions are met:

- (a) the sum in respect of which the lien exists is presently payable;
  - (b) the Company gives notice to the Member holding the Share (or to the person entitled to it in consequence of the death or bankruptcy of that Member) demanding payment and stating that if the notice is not complied with the Shares may be sold; and
  - (c) that sum is not paid within fourteen Clear Days after that notice is deemed to be given under these Articles,
- and Shares to which this Article 4.3 applies shall be referred to as Lien Default Shares.

4.4 The Lien Default Shares may be sold in such manner as the Board determines.

4.5 To the maximum extent permitted by law, the Directors shall incur no personal liability to the Member concerned in respect of the sale.

**Authority to execute instrument of transfer**

4.6 To give effect to a sale, the Directors may authorise any person to execute an instrument of transfer of the Lien Default Shares sold to, or in accordance with the directions of, the purchaser.

4.7 The title of the transferee of the Lien Default Shares shall not be affected by any irregularity or invalidity in the proceedings in respect of the sale.

**Consequences of sale of Shares to satisfy lien**

4.8 On a sale pursuant to the preceding Articles:

- (a) the name of the Member concerned shall be removed from the register of Members as the holder of those Lien Default Shares; and
- (b) that person shall deliver to the Company for cancellation the certificate (if any) for those Lien Default Shares.

4.9 Notwithstanding the provisions of Article 4.8, such person shall remain liable to the Company for all monies which, at the date of sale, were presently payable by him to the Company in respect of those Lien Default Shares. That person shall also be liable to pay interest on those monies from the date of sale until payment at the rate at which interest was payable before that sale or, failing that, at the Default Rate. The Board may waive payment wholly or in part or enforce payment without any allowance for the value of the Lien Default Shares at the time of sale or for any consideration received on their disposal.

#### **Application of proceeds of sale**

4.10 The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable. Any residue shall be paid to the person whose Lien Default Shares have been sold:

- (a) if no certificate for the Lien Default Shares was issued, at the date of the sale; or
- (b) if a certificate for the Lien Default Shares was issued, upon surrender to the Company of that certificate for cancellation

but, in either case, subject to the Company retaining a like lien for all sums not presently payable as existed on the Lien Default Shares before the sale.

#### **5 Calls on Shares and forfeiture**

##### **Power to make calls and effect of calls**

5.1 Subject to the terms of allotment, the Board may make calls on the Members in respect of any monies unpaid on their Shares including any premium. The call may provide for payment to be by instalments. Subject to receiving at least 14 Clear Days' notice specifying when and where payment is to be made, each Member shall pay to the Company the amount called on his Shares as required by the notice.

5.2 Before receipt by the Company of any sum due under a call, that call may be revoked in whole or in part and payment of a call may be postponed in whole or in part. Where a call is to be paid in instalments, the Company may revoke the call in respect of all or any remaining instalments in whole or in part and may postpone payment of all or any of the remaining instalments in whole or in part.

5.3 A Member on whom a call is made shall remain liable for that call notwithstanding the subsequent transfer of the Shares in respect of which the call was made. He shall not be liable for calls made after he is no longer registered as Member in respect of those Shares.

##### **Time when call made**

5.4 A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.

##### **Liability of joint holders**

5.5 Members registered as the joint holders of a Share shall be jointly and severally liable to pay all calls in respect of the Share.

**Interest on unpaid calls**

- 5.6 If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid:
- (a) at the rate fixed by the terms of allotment of the Share or in the notice of the call; or
  - (b) if no rate is fixed, at the Default Rate.

The Directors may waive payment of the interest wholly or in part.

**Deemed calls**

- 5.7 Any amount payable in respect of a Share, whether on allotment or on a fixed date or otherwise, shall be deemed to be payable as a call. If the amount is not paid when due the provisions of these Articles shall apply as if the amount had become due and payable by virtue of a call.

**Power to accept early payment**

- 5.8 The Company may accept from a Member the whole or a part of the amount remaining unpaid on Shares held by him although no part of that amount has been called up.

**Power to make different arrangements at time of issue of Shares**

- 5.9 Subject to the terms of allotment, the Directors may make arrangements on the issue of Shares to distinguish between Members in the amounts and times of payment of calls on their Shares.

**Notice of default**

- 5.10 If a call remains unpaid after it has become due and payable the Directors may give to the person from whom it is due not less than 14 Clear Days' notice requiring payment of:
- (a) the amount unpaid;
  - (b) any interest which may have accrued;
  - (c) any expenses which have been incurred by the Company due to that person's default.
- 5.11 The notice shall state the following:
- (a) the place where payment is to be made; and
  - (b) a warning that if the notice is not complied with the Shares in respect of which the call is made will be liable to be forfeited.

### **Forfeiture or surrender of Shares**

- 5.12 If the notice given pursuant to Article 5.10 is not complied with, the Directors may, before the payment required by the notice has been received, resolve that any Share the subject of that notice be forfeited. The forfeiture shall include all dividends or other monies payable in respect of the forfeited Share and not paid before the forfeiture. Despite the foregoing, the Board may determine that any Share the subject of that notice be accepted by the Company as surrendered by the Member holding that Share in lieu of forfeiture.

### **Disposal of forfeited or surrendered Share and power to cancel forfeiture or surrender**

- 5.13 A forfeited or surrendered Share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Board determine either to the former Member who held that Share or to any other person. The forfeiture or surrender may be cancelled on such terms as the Directors think fit at any time before a sale, re-allotment or other disposition. Where, for the purposes of its disposal, a forfeited or surrendered Share is to be transferred to any person, the Directors may authorise some person to execute an instrument of transfer of the Share to the transferee.

### **Effect of forfeiture or surrender on former Member**

- 5.14 On forfeiture or surrender:
- (a) the name of the Member concerned shall be removed from the register of Members as the holder of those Shares and that person shall cease to be a Member in respect of those Shares; and
  - (b) that person shall surrender to the Company for cancellation the certificate (if any) for the forfeited or surrendered Shares.
- 5.15 Despite the forfeiture or surrender of his Shares, that person shall remain liable to the Company for all monies which at the date of forfeiture or surrender were presently payable by him to the Company in respect of those Shares together with:
- (a) all expenses; and
  - (b) interest from the date of forfeiture or surrender until payment:
    - (i) at the rate of which interest was payable on those monies before forfeiture; or
    - (ii) if no interest was so payable, at the Default Rate.

The Directors, however, may waive payment wholly or in part.

#### **Evidence of forfeiture or surrender**

5.16 A declaration, whether statutory or under oath, made by a Director or the Secretary shall be conclusive evidence of the following matters stated in it as against all persons claiming to be entitled to forfeited Shares:

- (a) that the person making the declaration is a Director or Secretary of the Company, and
- (b) that the particular Shares have been forfeited or surrendered on a particular date.

Subject to the execution of an instrument of transfer, if necessary, the declaration shall constitute good title to the Shares.

#### **Sale of forfeited or surrendered Shares**

5.17 Any person to whom the forfeited or surrendered Shares are disposed of shall not be bound to see to the application of the consideration, if any, of those Shares nor shall his title to the Shares be affected by any irregularity in, or invalidity of the proceedings in respect of, the forfeiture, surrender or disposal of those Shares.

#### **6 Transfer of Shares**

##### **Form of Transfer**

6.1 Subject to the following Articles about the transfer of Shares, and provided that such transfer complies with applicable rules of the Designated Stock Exchange, a Member may freely transfer Shares to another person by completing an instrument of transfer in a common form or in a form prescribed by the Designated Stock Exchange or in any other form approved by the directors, executed:

- (a) where the Shares are Fully Paid, by or on behalf of that Member; and
- (b) where the Shares are partly paid, by or on behalf of that Member and the transferee.

6.2 The transferor shall be deemed to remain the holder of a Share until the name of the transferee is entered into the Register of Members.

### **Power to refuse registration for Shares not listed on a Designated Stock Exchange**

- 6.3 Where the Shares in question are not listed on or subject to the rules of any Designated Stock Exchange, registration of any transfer of shares must be approved by the Board, and the Directors may in their absolute discretion decline to register any transfer of such Shares which are not Fully Paid Up or on which the Company has a lien. The Directors may also, but are not required to, decline to register any transfer of any such Share unless:
- (a) the instrument of transfer is lodged with the Company, accompanied by the certificate (if any) for the Shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
  - (b) the instrument of transfer is in respect of only one class of Shares;
  - (c) the instrument of transfer is properly stamped, if required;
  - (d) in the case of a transfer to joint holders, the number of joint holders to whom the Share is to be transferred does not exceed four;
  - (e) the Shares transferred are Fully Paid Up and free of any lien in favour of the Company; and
  - (f) any applicable fee of such maximum sum as the Designated Stock Exchanges may determine to be payable, or such lesser sum as the Board may from time to time require, related to the transfer is paid to the Company.

### **Suspension of transfers**

- 6.4 The registration of transfers may, on 14 days' notice being given by advertisement in such one or more newspapers or by electronic means, be suspended and the register of Members closed at such times and for such periods as the Directors may, in their absolute discretion, from time to time determine, provided always that such registration of transfer shall not be suspended nor the register of Members closed for more than 30 days in any year.

### **Company may retain instrument of transfer**

- 6.5 All instruments of transfer that are registered shall be retained by the Company.

### **Notice of refusal to register**

- 6.6 If the Directors refuse to register a transfer of any Shares not listed on a Designated Stock Exchange, they shall within three months after the date on which the instrument of transfer was lodged with the Company send to each of the transferor and the transferee notice of the refusal.

## **7 Transmission of Shares**

### **Persons entitled on death of a Member**

- 7.1 If a Member dies, the only persons recognised by the Company as having any title to the deceased Members' interest are the following:
- (a) where the deceased Member was a joint holder, the survivor or survivors; and
  - (b) where the deceased Member was a sole holder, that Member's personal representative or representatives.
- 7.2 Nothing in these Articles shall release the deceased Member's estate from any liability in respect of any Share, whether the deceased was a sole holder or a joint holder.

### **Registration of transfer of a Share following death or bankruptcy**

- 7.3 A person becoming entitled to a Share in consequence of the death or bankruptcy of a Member may elect to do either of the following:
- (a) to become the holder of the Share; or
  - (b) to transfer the Share to another person.
- 7.4 That person must produce such evidence of his entitlement as the Directors may properly require.
- 7.5 If the person elects to become the holder of the Share, he must give notice to the Company to that effect. For the purposes of these Articles, that notice shall be treated as though it were an executed instrument of transfer.
- 7.6 If the person elects to transfer the Share to another person then:
- (a) if the Share is Fully Paid Up, the transferor must execute an instrument of transfer; and
  - (b) if the Share is nil or Partly Paid Up, the transferor and the transferee must execute an instrument of transfer.
- 7.7 All the Articles relating to the transfer of Shares shall apply to the notice or, as appropriate, the instrument of transfer.

### **Indemnity**

- 7.8 A person registered as a Member by reason of the death or bankruptcy of another Member shall indemnify the Company and the Directors against any loss or damage suffered by the Company or the Directors as a result of that registration.

### **Rights of person entitled to a Share following death or bankruptcy**

- 7.9 A person becoming entitled to a Share by reason of the death or bankruptcy of a Member shall have the rights to which he would be entitled if he were registered as the holder of the Share. But, until he is registered as Member in respect of the Share, he shall not be entitled to attend or vote at any meeting of the Company or at any separate meeting of the holders of that class of Shares.

## **8 Alteration of capital**

### **Increasing, consolidating, converting, dividing and cancelling share capital**

- 8.1 To the fullest extent permitted by the Act, the Company may by Ordinary Resolution do any of the following and amend its Memorandum for that purpose:
- (a) increase its share capital by new Shares of the amount fixed by that Ordinary Resolution and with the attached rights, priorities and privileges set out in that Ordinary Resolution;
  - (b) consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares;
  - (c) convert all or any of its Paid Up Shares into stock, and reconvert that stock into Paid Up Shares of any denomination;
  - (d) sub-divide its Shares or any of them into Shares of an amount smaller than that fixed by the Memorandum, so, however, that in the sub-division, the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in case of the Share from which the reduced Share is derived; and
  - (e) cancel Shares which, at the date of the passing of that Ordinary Resolution, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the Shares so cancelled or, in the case of Shares without nominal par value, diminish the number of Shares into which its capital is divided.

### **Dealing with fractions resulting from consolidation of Shares**

- 8.2 Whenever, as a result of a consolidation of Shares, any Members would become entitled to fractions of a Share the Directors may on behalf of those Members deal with the fractions as it thinks fit, including (without limitation):
- (a) sell the Shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company); and
  - (b) distribute the net proceeds in due proportion among those Members.
- 8.3 For the purposes of Article 8.2, the Directors may authorise some person to execute an instrument of transfer of the Shares to, in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall the transferee's title to the Shares be affected by any irregularity in, or invalidity of, the proceedings in respect of the sale.

### **Reducing share capital**

- 8.4 Subject to the Act and to any rights for the time being conferred on the Members holding a particular class of Shares, the Company may, by Special Resolution, reduce its share capital in any way.

## **9 Redemption and purchase of own Shares**

### **Power to issue redeemable Shares and to purchase own Shares**

- 9.1 Subject to the Act and to any rights for the time being conferred on the Members holding a particular class of Shares, the Company may by its Directors:
- (a) issue Shares that are to be redeemed or liable to be redeemed, at the option of the Company or the Member holding those redeemable Shares, on the terms and in the manner its Directors determine before the issue of those Shares;
  - (b) with the consent by Special Resolution of the Members holding Shares of a particular class, vary the rights attaching to that class of Shares so as to provide that those Shares are to be redeemed or are liable to be redeemed at the option of the Company on the terms and in the manner which the Directors determine at the time of such variation; and
  - (c) purchase all or any of its own Shares of any class including any redeemable Shares on the terms and in the manner which the Directors determine at the time of such purchase.

The Company may make a payment in respect of the redemption or purchase of its own Shares in any manner authorised by the Act, including out of any combination of the following: capital, its profits and the proceeds of a fresh issue of Shares.

### **Power to pay for redemption or purchase in cash or in specie**

- 9.2 When making a payment in respect of the redemption or purchase of Shares, the Directors may make the payment in cash or *in specie* (or partly in one and partly in the other) if so authorised by the terms of the allotment of those Shares or by the terms applying to those Shares in accordance with Article 9.1, or otherwise by agreement with the Member holding those Shares.

### **Effect of redemption or purchase of a Share**

- 9.3 Upon the date of redemption or purchase of a Share:
- (a) the Member holding that Share shall cease to be entitled to any rights in respect of the Share other than the right to receive:
    - (i) the price for the Share; and

- (ii) any dividend declared in respect of the Share prior to the date of redemption or purchase;
- (b) the Member's name shall be removed from the register of Members with respect to the Share; and
- (c) the Share shall be cancelled or held as a Treasury Share, as the Directors may determine.

9.4 For the purpose of Article 9.3, the date of redemption or purchase is the date when the Member's name is removed from the register of Members with respect to the Shares the subject of the redemption or purchase.

## **10 Meetings of Members**

### **Annual and extraordinary general meetings**

- 10.1 The Company may, but shall not (unless required by the applicable Designated Stock Exchange Rules) be obligated to, in each year hold a general meeting as an annual general meeting, which, if held, shall be convened by the Board, in accordance with these Articles.
- 10.2 All general meetings other than annual general meetings shall be called extraordinary general meetings.

### **Power to call meetings**

- 10.3 The Directors may call a general meeting at any time.
- 10.4 If there are insufficient Directors to constitute a quorum and the remaining Directors are unable to agree on the appointment of additional Directors, the Directors must call a general meeting for the purpose of appointing additional Directors.
- 10.5 The Directors must also call a general meeting if requisitioned in the manner set out in the next two Articles.
- 10.6 The requisition must be in writing and given by one or more Members who together hold at least ten (10) per cent of the rights to vote at such general meeting.
- 10.7 The requisition must also:
  - (a) specify the purpose of the meeting.
  - (b) be signed by or on behalf of each requisitioner (and for this purpose each joint holder shall be obliged to sign). The requisition may consist of several documents in like form signed by one or more of the requisitioners; and
  - (c) be delivered in accordance with the notice provisions.

- 10.8 Should the Directors fail to call a general meeting within 21 Clear Days' from the date of receipt of a requisition, the requisitioners or any of them may call a general meeting within three months after the end of that period.
- 10.9 Without limitation to the foregoing, if there are insufficient Directors to constitute a quorum and the remaining Directors are unable to agree on the appointment of additional Directors, any one or more Members who together hold at least five per cent of the rights to vote at a general meeting may call a general meeting for the purpose of considering the business specified in the notice of meeting which shall include as an item of business the appointment of additional Directors.
- 10.10 If the Members call a meeting under the above provisions, the Company shall reimburse their reasonable expenses.

**Content of notice**

- 10.11 Notice of a general meeting shall specify each of the following:
- (a) the place, the date and the hour of the meeting;
  - (b) whether the meeting will be held virtually, at a physical place or both;
  - (c) if the meeting is to be held in two or more places (including in any part virtually), the Electronic Communication Facilities that will be used to facilitate the meeting;
  - (d) subject to paragraph (e) and (to the extent applicable) the requirements of the Designated Stock Exchange Rules, the general nature of the business to be transacted; and
  - (e) if a resolution is proposed as a Special Resolution, the text of that resolution.
- 10.12 In each notice there shall appear with reasonable prominence the following statements:
- (a) that a Member who is entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of that Member; and
  - (b) that a proxyholder need not be a Member.

**Period of notice**

- 10.13 At least ten (10) Clear Days' notice of a general meeting must be given to Members.
- 10.14 Subject to the Act, a meeting may be convened on shorter notice, subject to the Act with the consent of the Member or Members who, individually or collectively, hold at least ninety per cent of the voting rights of all those who have a right to vote at that meeting.

### **Persons entitled to receive notice**

10.15 Subject to the provisions of these Articles and to any restrictions imposed on any Shares, the notice shall be given to the following people:

- (a) the Members;
- (b) persons entitled to a Share in consequence of the death or bankruptcy of a Member;
- (c) the Directors; and
- (d) the Auditors (if appointed).

10.16 The Board may determine that the Members entitled to receive notice of a meeting are those persons entered on the register of Members at the close of business on a day determined by the Board.

### **Accidental omission to give notice or non-receipt of notice**

10.17 Proceedings at a meeting shall not be invalidated by the following:

- (a) an accidental failure to give notice of the meeting to any person entitled to notice; or
- (b) non-receipt of notice of the meeting by any person entitled to notice.

10.18 In addition, where a notice of meeting is published on a website proceedings at the meeting shall not be invalidated merely because it is accidentally published:

- (a) in a different place on the website; or
- (b) for part only of the period from the date of the notification until the conclusion of the meeting to which the notice relates.

## **11 Proceedings at meetings of Members**

### **Quorum**

11.1 Save as provided in the following Article, no business shall be transacted at any meeting unless a quorum is present in person or by proxy. A quorum is as follows:

- (a) if the Company has only one Member: that Member;
- (b) if the Company has more than one Member:
  - (i) subject to Article 11.1(b)(ii) below, one or more Members holding Class B Shares carrying the right to vote at such general meeting; or
  - (ii) for so long as any Shares are listed on a Designated Stock Exchange, one or more Members holding Shares that represent not less than one-third of the outstanding Shares carrying the right to vote at such general meeting.

**Lack of quorum**

- 11.2 If a quorum is not present within fifteen minutes of the time appointed for the meeting, or if at any time during the meeting it becomes inquorate, then the following provisions apply:
- (a) If the meeting was requisitioned by Members, it shall be cancelled.
  - (b) In any other case, the meeting shall stand adjourned to the same time and place seven days hence, or to such other time or place as is determined by the Directors. If a quorum is not present within fifteen minutes of the time appointed for the adjourned meeting, then the Members present in person or by proxy shall constitute a quorum.

**Chairman**

- 11.3 The chairman of a general meeting (including any Virtual Meeting) shall be the chairman of the Board or such other Director as the Directors have nominated to chair Board meetings in the absence of the chairman of the Board. Absent any such person being present within fifteen minutes of the time appointed for the meeting, the Directors present shall elect one of their number to chair the meeting. The chairman of the meeting shall be entitled to attend and participate at any such general meeting by means of Electronic Communication Facilities, and to act as the chairman of such general meeting, in which event the chairman of the meeting shall be deemed to be present at the meeting.
- 11.4 If no Director is present within fifteen minutes of the time appointed for the meeting, or if no Director is willing to act as chairman, the Members present in person or by proxy and entitled to vote shall choose one of their number to chair the meeting.

**Right of a Director to attend and speak**

- 11.5 Even if a Director is not a Member, he shall be entitled to attend and speak at any general meeting and at any separate meeting of Members holding a particular class of Shares.

**Accommodation of Members at Virtual Meeting**

- 11.6 A Member entitled to receive notice and attend a meeting will be deemed to be in attendance at such meeting despite their attendance being virtual if adequate facilities are available to ensure that the Member is able to:
- (a) to participate in the business for which the meeting has been convened; and
  - (b) to hear all that happens at the meeting (whether by use of microphones, audio visual communications equipment or otherwise); and
  - (c) to be heard by all persons present in the same way.

Without limiting the generality of the foregoing, the Directors may determine that any general meeting may be held as a Virtual Meeting.

## **Security**

- 11.7 In addition to any measures which the Board may be required to take due to the location or venue of the meeting, the Board may make any arrangement and impose any restriction it considers appropriate and reasonable in the circumstances to ensure the security of a meeting including, without limitation, the searching of any person attending the meeting and the imposing of restrictions on the items of personal property that may be taken into the meeting place. The Board may refuse entry to, or eject from, a meeting a person who refuses to comply with any such arrangements or restrictions.

## **Adjournment, postponement and cancellation**

- 11.8 A meeting may be:

- (a) postponed or cancelled prior to the meeting at the discretion of the Directors by written notice provided to all persons entitled to attend the meeting, unless the meeting was requisitioned by Member(s) or otherwise called by Member(s) pursuant to Article 10; or
- (b) adjourned, with or without an appointed date for resumption, at any time during the meeting at the discretion of the chairman with the consent of the Member(s) constituting a quorum.

The chairman must adjourn the meeting if so directed by the Member(s) constituting a quorum at the meeting. No business, however, can be transacted at an adjourned or postponed meeting other than business which might properly have been transacted at the original meeting.

- 11.9 Should a meeting be adjourned for more than seven (7) Clear Days, whether because of a lack of quorum or otherwise, Members shall be given at least seven (7) Clear Days' notice of the date, time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any notice of the adjournment.

## **Method of voting**

- 11.10 A resolution put to the vote of the meeting shall be decided on a poll.

## **Taking of a poll**

- 11.11 A poll shall be taken in such manner as the chairman directs. He may appoint scrutineers (who need not be Members) and fix a place and time for declaring the result of the poll. If, through the aid of technology, the meeting is held as a Virtual Meeting or in more than one place, the chairman may appoint scrutineers virtually and in more than one place; but if he considers that the poll cannot be effectively monitored at that meeting, the chairman shall adjourn the holding of the poll to a date, place and time when that can occur.

### **Chairman's casting vote**

11.12 In the case of an equality of votes, the Chairman of the meeting shall be entitled to a second or casting vote.

### **Written resolutions**

11.13 Without limitation to section 60(1) of the Act, Members may pass a Special Resolution in writing without holding a meeting if the following conditions are met:

- (a) all Members entitled to vote on the resolution are given notice of the resolution as if the same were being proposed at a meeting of Members;
- (b) all Members entitled so to vote:
  - (i) sign a document; or
  - (ii) sign several documents in the like form each signed by one or more of those Members; and
- (c) the signed document or documents is or are delivered to the Company, including, if the Company so nominates, by delivery of an Electronic Record by Electronic means to the address specified for that purpose.

Such written resolution, which shall be as effective as if it had been passed at a meeting of the Members entitled to vote duly convened and held, is passed when all such Members have so signified their agreement to the resolution.

11.14 Members may pass an Ordinary Resolution in writing without holding a meeting if the following conditions are met:

- (a) all Members entitled to vote on the resolution are:
  - (i) given notice of the resolution as if the same were being proposed at a meeting of Members; and
  - (ii) notified in the same or an accompanying notice of the date by which the resolution must be passed if it is not to lapse, being a period of seven (7) days beginning with the date that the notice is first given;

- (b) the required majority of the Members entitled so to vote:
  - (i) sign a document; or
  - (ii) sign several documents in the like form each signed by one or more of those Members; and
- (c) the signed document or documents is or are delivered to the Company, including, if the Company so nominates, by delivery of an Electronic Record by Electronic means to the address specified for that purpose.

Such written resolution, which shall be as effective as if it had been passed at a meeting of the Members entitled to vote duly convened and held, is passed upon the later of these dates: (i) subject to the following Article, the date next immediately following the end of the period of three (3) days beginning with the date that notice of the resolution is first given and (ii) the date when the required majority have so signified their agreement to the resolution. However, the proposed written resolution lapses if it is not passed before the end of the period of seven (7) days beginning with the date that notice of it is first given.

- 11.15 If all Members entitled to be given notice of the Ordinary Resolution consent, a written resolution may be passed as soon as the required majority have signified their agreement to the resolution, without any minimum period of time having first elapsed. Save that the consent of the majority may be incorporated in the written resolution, each consent shall be in writing or given by Electronic Record and shall otherwise be given to the Company in accordance with Article 28 (*Notices*) prior to the written resolution taking effect.
- 11.16 The Directors may determine the manner in which written resolutions shall be put to Members. In particular, they may provide, in the form of any written resolution, for each Member to indicate, out of the number of votes the Member would have been entitled to cast at a meeting to consider the resolution, how many votes he wishes to cast in favour of the resolution and how many against the resolution or to be treated as abstentions. The result of any such written resolution shall be determined on the same basis as on a poll.
- 11.17 If a written resolution is described as a Special Resolution or as an Ordinary Resolution, it has effect accordingly.

#### **Sole-Member Company**

- 11.18 If the Company has only one Member, and the Member records in writing his decision on a question, that record shall constitute both the passing of a resolution and the minute of it.

## **12 Voting rights of Members**

### **Right to vote**

- 12.1 Unless their Shares carry no right to vote, or unless a call or other amount presently payable has not been paid, all Members are entitled to vote at a general meeting, whether on a show of hands or on a poll, and all Members holding Shares of a particular class of Shares are entitled to vote at a meeting of the holders of that class of Shares. Each Class A Share shall be entitled to one (1) vote on all matters subject to vote at general meetings of the Company, and each Class B Share shall be entitled to twenty (20) votes on all matters subject to vote at general meetings of the Company. Unless otherwise required under the Act or by these Articles, holders of Class A Shares and Class B Shares shall at all times vote together as one class on all resolutions submitted to a vote by the Members.

- 12.2 Members may vote in person or by proxy.
- 12.3 On a poll, each Class A Share shall be entitled to one (1) vote on all matters subject to vote at general meetings of the Company, and each Class B Share shall be entitled to twenty (20) votes on all matters subject to vote at general meetings of the Company. A fraction of a Class A Share shall entitle its holder to an equivalent fraction of one (1) vote, and a fraction of a Class B Share shall entitle its holder to an equivalent fraction of twenty (20) votes.
- 12.4 No Member is bound to vote on his Shares or any of them; nor is he bound to vote each of his Shares in the same way.

**Rights of joint holders**

- 12.5 If Shares are held jointly, only one of the joint holders may vote. If more than one of the joint holders tenders a vote, the vote of the holder whose name in respect of those Shares appears first in the register of Members shall be accepted to the exclusion of the votes of the other joint holder.

**Representation of corporate Members**

- 12.6 Save where otherwise provided, a corporate Member must act by a duly authorised representative.
- 12.7 A corporate Member wishing to act by a duly authorised representative must identify that person to the Company by notice in writing.
- 12.8 The authorisation may be for any period of time, and must be delivered to the Company before the commencement of the meeting at which it is first used.
- 12.9 The Directors of the Company may require the production of any evidence which they consider necessary to determine the validity of the notice.
- 12.10 Where a duly authorised representative is present at a meeting that Member is deemed to be present in person; and the acts of the duly authorised representative are personal acts of that Member.
- 12.11 A corporate Member may revoke the appointment of a duly authorised representative at any time by notice to the Company; but such revocation will not affect the validity of any acts carried out by the duly authorised representative before the Directors of the Company had actual notice of the revocation.

**Member with mental disorder**

- 12.12 A Member in respect of whom an order has been made by any court having jurisdiction (whether in the Cayman Islands or elsewhere) in matters concerning mental disorder may vote by that Member's receiver, *curator bonis* or other person authorised in that behalf appointed by that court.
- 12.13 For the purpose of the preceding Article, evidence to the satisfaction of the Directors of the authority of the person claiming to exercise the right to vote must be received not less than 24 hours before holding the relevant meeting or the adjourned meeting in any manner specified for the delivery of forms of appointment of a proxy, whether in writing or by Electronic means. In default, the right to vote shall not be exercisable.

**Objections to admissibility of votes**

- 12.14 An objection to the validity of a person's vote may only be raised at the meeting or at the adjourned meeting at which the vote is sought to be tendered. Any objection duly made shall be referred to the chairman whose decision shall be final and conclusive.

**Form of proxy**

- 12.15 An instrument appointing a proxy shall be in any common form or in any other form approved by the Directors.
- 12.16 The instrument must be in writing and signed in one of the following ways:
- (a) by the Member; or
  - (b) by the Member's authorised attorney; or
  - (c) if the Member is a corporation or other body corporate, under seal or signed by an authorised officer, secretary or attorney.

If the Directors so resolve, the Company may accept an Electronic Record of that instrument delivered in the manner specified below and otherwise satisfying the Articles about authentication of Electronic Records.

- 12.17 The Directors may require the production of any evidence which they consider necessary to determine the validity of any appointment of a proxy.
- 12.18 A Member may revoke the appointment of a proxy at any time by notice to the Company duly signed in accordance with Article 12.16.
- 12.19 No revocation by a Member of the appointment of a proxy made in accordance with Article 12.18 will affect the validity of any acts carried out by the relevant proxy before the Directors of the Company had actual notice of the revocation.

## How and when proxy is to be delivered

- 12.20 Subject to the following Articles, the Directors may, in the notice convening any meeting or adjourned meeting, or in an instrument of proxy sent out by the Company, specify the manner by which the instrument appointing a proxy shall be deposited and the place and the time (being not later than the time appointed for the commencement of the meeting or adjourned meeting to which the proxy relates) at which the instrument appointing a proxy shall be deposited. In the absence of any such direction from the Directors in the notice convening any meeting or adjourned meeting or in an instrument of proxy sent out by the Company, the form of appointment of a proxy and any authority under which it is signed (or a copy of the authority certified notorially or in any other way approved by the Directors) must be delivered so that it is received by the Company before the time for holding the meeting or adjourned meeting at which the person named in the form of appointment of proxy proposes to vote. They must be delivered in either of the following ways:
- (a) In the case of an instrument in writing, it must be left at or sent by post:
    - (i) to the registered office of the Company; or
    - (ii) to such other place specified in the notice convening the meeting or in any form of appointment of proxy sent out by the Company in relation to the meeting.
  - (b) If, pursuant to the notice provisions, a notice may be given to the Company in an Electronic Record, an Electronic Record of an appointment of a proxy must be sent to the address specified pursuant to those provisions unless another address for that purpose is specified:
    - (i) in the notice convening the meeting; or
    - (ii) in any form of appointment of a proxy sent out by the Company in relation to the meeting; or
    - (iii) in any invitation to appoint a proxy issued by the Company in relation to the meeting.
  - (c) Notwithstanding Article 12.20(a) and Article 12.20(b), the chairman of the Company may, in any event at his discretion, direct that an instrument of proxy shall be deemed to have been duly deposited.
- 12.21 If the form of appointment of proxy is not delivered on time, it is invalid.
- 12.22 When two or more valid but differing appointments of proxy are delivered or received in respect of the same Share for use at the same meeting and in respect of the same matter, the one which is last validly delivered or received (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the other or others as regards that Share. If the Company is unable to determine which appointment was last validly delivered or received, none of them shall be treated as valid in respect of that Share.

- 12.23 The Board may at the expense of the Company send forms of appointment of proxy to the Members by post (that is to say, pre-paying and posting a letter), or by Electronic communication or otherwise (with or without provision for their return by pre-paid post) for use at any general meeting or at any separate meeting of the holders of any class of Shares, either blank or nominating as proxy in the alternative any one or more of the Directors or any other person. If for the purpose of any meeting invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the Company's expense, they shall be issued to all (and not to some only) of the Members entitled to be sent notice of the meeting and to vote at it. The accidental omission to send such a form of appointment or to give such an invitation to, or the non-receipt of such form of appointment by, any Member entitled to attend and vote at a meeting shall not invalidate the proceedings at that meeting

#### **Voting by proxy**

- 12.24 A proxy shall have the same voting rights at a meeting or adjourned meeting as the Member would have had except to the extent that the instrument appointing him limits those rights. Notwithstanding the appointment of a proxy, a Member may attend and vote at a meeting or adjourned meeting. If a Member votes on any resolution a vote by his proxy on the same resolution, unless in respect of different Shares, shall be invalid.
- 12.25 The instrument appointing a proxy to vote at a meeting shall not confer any further right to speak at the meeting, except with the permission of the chairman of the meeting.

#### **13 Number of Directors**

- 13.1 There shall be a Board consisting of not less than one person provided however that the Company may by Ordinary Resolution increase or reduce the limits in the number of Directors. Unless fixed by Ordinary Resolution, the maximum number of Directors shall be unlimited.

#### **14 Appointment, disqualification and removal of Directors**

##### **First Directors**

- 14.1 The first Directors shall be appointed in writing by the subscriber or subscribers to the Memorandum, or a majority of them.

##### **No age limit**

- 14.2 There is no age limit for Directors save that they must be at least eighteen years of age.

### **Corporate Directors**

- 14.3 Unless prohibited by law, a body corporate may be a Director. If a body corporate is a Director, the Articles about representation of corporate Members at general meetings apply, mutatis mutandis, to the Articles about Directors' meetings.

### **No shareholding qualification**

- 14.4 Unless a shareholding qualification for Directors is fixed by Ordinary Resolution, no Director shall be required to own Shares as a condition of his appointment.

### **Appointment of Directors**

- 14.5 A Director may be appointed by Ordinary Resolution or by the Directors. Any appointment may be to fill a vacancy or as an additional Director.
- 14.6 A remaining Director may appoint a Director even though there is not a quorum of Directors.
- 14.7 No appointment can cause the number of Directors to exceed the maximum (if one is set); and any such appointment shall be invalid.
- 14.8 For so long as any class of the Shares are listed on a Designated Stock Exchange, the Directors shall include at least such number of Independent Directors as applicable law, rules or regulations or the Designated Stock Exchange Rules require as determined by the Board.

### **Board's power to appoint Directors**

- 14.9 Without prejudice to the Company's power to appoint a person to be a Director pursuant to these Articles, the Board shall have power at any time to appoint any person who is willing to act as a Director, either to fill a vacancy or as an addition to the existing Board, subject to the total number of Directors not exceeding any maximum number fixed by or in accordance with these Articles.
- 14.10 An appointment of a Director may be on terms that the Director shall automatically retire from office (unless he has sooner vacated office) at the next or a subsequent annual general meeting or upon any specified event or after any specified period in a written agreement between the Company and the Director, if any; but no such term shall be implied in the absence of express provision. Each Director whose term of office expires shall be eligible for re-election at a meeting of the Members or re-appointment by the Board.

### **Removal of Directors**

- 14.11 A Director may be removed by Ordinary Resolution.

## **Resignation of Directors**

- 14.12 A Director may at any time resign office by giving to the Company notice in writing or, if permitted pursuant to the notice provisions, in an Electronic Record delivered in either case in accordance with those provisions.
- 14.13 Unless the notice specifies a different date, the Director shall be deemed to have resigned on the date that the notice is delivered to the Company.

## **Termination of the office of Director**

- 14.14 A Director may retire from office as a Director by giving notice in writing to that effect to the Company at the registered office, which notice shall be effective upon such date as may be specified in the notice, failing which upon delivery to the registered office.
- 14.15 Without prejudice to the provisions in these Articles for retirement (by rotation or otherwise), a Director's office shall be terminated forthwith if:
- (a) he is prohibited by the law of the Cayman Islands from acting as a Director; or
  - (b) he is made bankrupt or makes an arrangement or composition with his creditors generally; or
  - (c) he resigns his office by notice to the Company; or
  - (d) he only held office as a Director for a fixed term and such term expires; or
  - (e) in the opinion of a registered medical practitioner by whom he is being treated he becomes physically or mentally incapable of acting as a Director;  
or
  - (f) he is given notice by the majority of the other Directors (not being less than two in number) to vacate office (without prejudice to any claim for damages for breach of any agreement relating to the provision of the services of such Director); or
  - (g) he is made subject to any law relating to mental health or incompetence, whether by court order or otherwise; or
  - (h) without the consent of the other Directors, he is absent from meetings of Directors for a continuous period of six months.

## **15 Alternate Directors**

### **Appointment and removal**

- 15.1 Any Director may appoint any other person, including another Director, to act in his place as an alternate Director. No appointment shall take effect until the Director has given notice of the appointment to the Board.

- 15.2 A Director may revoke his appointment of an alternate at any time. No revocation shall take effect until the Director has given notice of the revocation to the Board.
- 15.3 A notice of appointment or removal of an alternate Director shall be effective only if given to the Company by one or more of the following methods:
- (a) by notice in writing in accordance with the notice provisions contained in these Articles;
  - (b) if the Company has a facsimile address for the time being, by sending by facsimile transmission to that facsimile address a facsimile copy or, otherwise, by sending by facsimile transmission to the facsimile address of the Company's registered office a facsimile copy (in either case, the facsimile copy being deemed to be the notice unless Article 29.7 applies), in which event notice shall be taken to be given on the date of an error-free transmission report from the sender's fax machine;
  - (c) if the Company has an email address for the time being, by emailing to that email address a scanned copy of the notice as a PDF attachment or, otherwise, by emailing to the email address provided by the Company's registered office a scanned copy of the notice as a PDF attachment (in either case, the PDF version being deemed to be the notice unless Article 29.7 applies), in which event notice shall be taken to be given on the date of receipt by the Company or the Company's registered office (as appropriate) in readable form; or
  - (d) if permitted pursuant to the notice provisions, in some other form of approved Electronic Record delivered in accordance with those provisions in writing.

#### **Notices**

- 15.4 All notices of meetings of Directors shall continue to be given to the appointing Director and not to the alternate.

#### **Rights of alternate Director**

- 15.5 An alternate Director shall be entitled to attend and vote at any Board meeting or meeting of a committee of the Directors at which the appointing Director is not personally present, and generally to perform all the functions of the appointing Director in his absence. An alternate Director, however, is not entitled to receive any remuneration from the Company for services rendered as an alternate Director.

### **Appointment ceases when the appointor ceases to be a Director**

15.6 An alternate Director shall cease to be an alternate Director if:

- (a) the Director who appointed him ceases to be a Director; or
- (b) the Director who appointed him revokes his appointment by notice delivered to the Board or to the registered office of the Company or in any other manner approved by the Board; or
- (c) in any event happens in relation to him which, if he were a Director of the Company, would cause his office as Director to be vacated.

### **Status of alternate Director**

15.7 An alternate Director shall carry out all functions of the Director who made the appointment.

15.8 Save where otherwise expressed, an alternate Director shall be treated as a Director under these Articles.

15.9 An alternate Director is not the agent of the Director appointing him.

15.10 An alternate Director is not entitled to any remuneration for acting as alternate Director.

### **Status of the Director making the appointment**

15.11 A Director who has appointed an alternate is not thereby relieved from the duties which he owes the Company.

## **16 Powers of Directors**

### **Powers of Directors**

16.1 Subject to the provisions of the Act, the Memorandum and these Articles the business of the Company shall be managed by the Directors who may for that purpose exercise all the powers of the Company.

16.2 No prior act of the Directors shall be invalidated by any subsequent alteration of the Memorandum or these Articles. However, to the extent allowed by the Act, Members may, by Special Resolution, validate any prior or future act of the Directors which would otherwise be in breach of their duties.

### **Directors below the minimum number**

16.3 If the number of Directors is less than the minimum prescribed in accordance with these Articles, the remaining Director or Directors shall act only for the purposes of appointing an additional Director or Directors to make up such minimum or of convening a general meeting of the Company for the purpose of making such appointment. If there are no Director or Directors able or willing to act, any two Members may summon a general meeting for the purpose of appointing Directors. Any additional Director so appointed shall hold office (subject to these Articles) only until the dissolution of the annual general meeting next following such appointment unless he is re-elected during such meeting.

### **Appointments to office**

- 16.4 The Directors may appoint a Director:
- (a) as chairman of the Board;
  - (b) as managing Director;
  - (c) to any other executive office,
- for such period, and on such terms, including as to remuneration as they think fit.
- 16.5 The appointee must consent in writing to holding that office.
- 16.6 Where a chairman is appointed he shall, unless unable to do so, preside at every meeting of Directors.
- 16.7 If there is no chairman, or if the chairman is unable to preside at a meeting, that meeting may select its own chairman; or the Directors may nominate one of their number to act in place of the chairman should he ever not be available.
- 16.8 Subject to the provisions of the Act, the Directors may also appoint and remove any person, who need not be a Director:
- (a) as Secretary; and
  - (b) to any office that may be required
- for such period and on such terms, including as to remuneration, as they think fit. In the case of an Officer, that Officer may be given any title the Directors decide.
- 16.9 The Secretary or Officer must consent in writing to holding that office.
- 16.10 A Director, Secretary or other Officer of the Company may not hold the office, or perform the services, of auditor.

### **Provisions for employees**

- 16.11 The Board may make provision for the benefit of any persons employed or formerly employed by the Company or any of its subsidiary undertakings (or any member of his family or any person who is dependent on him) in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or any of its subsidiary undertakings.

### **Exercise of voting rights**

- 16.12 The Board may exercise the voting power conferred by the shares in any body corporate held or owned by the Company in such manner in all respects as it thinks fit (including, without limitation, the exercise of that power in favour of any resolution appointing any Director as a Director of such body corporate, or voting or providing for the payment of remuneration to the Directors of such body corporate).

## **Remuneration**

- 16.13 Every Director may be remunerated by the Company for the services he provides for the benefit of the Company, whether as Director, employee or otherwise, and shall be entitled to be paid for the expenses incurred in the Company's business including attendance at Directors' meetings.
- 16.14 Until otherwise determined by the Company by Ordinary Resolution, the Directors (other than alternate Directors) shall be entitled to such remuneration by way of fees for their services in the office of Director as the Directors may determine.
- 16.15 Remuneration may take any form and may include arrangements to pay pensions, health insurance, death or sickness benefits, whether to the Director or to any other person connected to or related to him.
- 16.16 Unless his fellow Directors determine otherwise, a Director is not accountable to the Company for remuneration or other benefits received from any other company which is in the same group as the Company or which has common shareholdings.

## **Disclosure of information**

- 16.17 The Directors may release or disclose to a third party any information regarding the affairs of the Company, including any information contained in the register of Members relating to a Member, (and they may authorise any Director, Officer or other authorised agent of the Company to release or disclose to a third party any such information in his possession) if:
- (a) the Company or that person, as the case may be, is lawfully required to do so under the laws of any jurisdiction to which the Company is subject; or
  - (b) such disclosure is in compliance with the Designated Stock Exchange Rules (to the extent applicable); or
  - (c) such disclosure is in accordance with any contract entered into by the Company; or
  - (d) the Directors are of the opinion such disclosure would assist or facilitate the Company's operations.

## **17 Delegation of powers**

### **Power to delegate any of the Directors' powers to a committee**

- 17.1 The Directors may delegate any of their powers to any committee consisting of one or more persons who need not be Members. Persons on the committee may include non-Directors so long as the majority of those persons are Directors. For so long as any class of the Shares are listed on a Designated Stock Exchange, any such committee shall be made up of such number of Independent Directors as required from time to time by the Designated Stock Exchange Rules or otherwise required by applicable law.

- 17.2 The delegation may be collateral with, or to the exclusion of, the Directors' own powers.
- 17.3 The delegation may be on such terms as the Directors think fit, including provision for the committee itself to delegate to a sub-committee; save that any delegation must be capable of being revoked or altered by the Directors at will.
- 17.4 Unless otherwise permitted by the Directors, a committee must follow the procedures prescribed for the taking of decisions by Directors.
- 17.5 For so long as any class of the Shares are listed on a Designated Stock Exchange, the Board shall, if required by the Designated Stock Exchange Rules, establish an audit committee, a compensation committee and a nominating and corporate governance committee. Each of these committees shall be empowered to do all things necessary to exercise the rights of such committee set forth in these Articles. Each of the audit committee, compensation committee and nominating and corporate governance committee (if so established) shall consist of at least such number of Directors as may be required from time to time by the Designated Stock Exchange Rules. The majority of the committee members on each of the compensation committee and nominating and corporate governance committee shall be Independent Directors. The audit committee (if so established) shall be made up of such number of Independent Directors as required from time to time by the Designated Stock Exchange Rules or otherwise required by applicable law, subject to any exemptions permitted under the Designated Stock Exchange Rules and other applicable laws.

**Local boards**

- 17.6 The Board may establish any local or divisional board or agency for managing any of the affairs of the Company whether in the Cayman Islands or elsewhere and may appoint any persons to be members of a local or divisional Board, or to be managers or agents, and may fix their remuneration.
- 17.7 The Board may delegate to any local or divisional board, manager or agent any of its powers and authorities (with power to sub-delegate) and may authorise the members of any local or divisional board or any of them to fill any vacancies and to act notwithstanding vacancies.
- 17.8 Any appointment or delegation under this Article 17.8 may be made on such terms and subject to such conditions as the Board thinks fit and the Board may remove any person so appointed, and may revoke or vary any delegation.

**Power to appoint an agent of the Company**

- 17.9 The Directors may appoint any person, either generally or in respect of any specific matter, to be the agent of the Company with or without authority for that person to delegate all or any of that person's powers. The Directors may make that appointment:
- (a) by causing the Company to enter into a power of attorney or agreement; or
  - (b) in any other manner they determine.

**Power to appoint an attorney or authorised signatory of the Company**

- 17.10 The Directors may appoint any person, whether nominated directly or indirectly by the Directors, to be the attorney or the authorised signatory of the Company. The appointment may be:
- (a) for any purpose;
  - (b) with the powers, authorities and discretions;
  - (c) for the period; and
  - (d) subject to such conditions
- as they think fit. The powers, authorities and discretions, however, must not exceed those vested in, or exercisable, by the Directors under these Articles. The Directors may do so by power of attorney or any other manner they think fit.

- 17.11 Any power of attorney or other appointment may contain such provision for the protection and convenience for persons dealing with the attorney or authorised signatory as the Directors think fit. Any power of attorney or other appointment may also authorise the attorney or authorised signatory to delegate all or any of the powers, authorities and discretions vested in that person.

- 17.12 The Board may remove any person appointed under Article 17.10 and may revoke or vary the delegation.

**Borrowing Powers**

- 17.13 The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets both present and future and uncalled capital, or any part thereof, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or its parent undertaking (if any) or any subsidiary undertaking of the Company or of any third party.

## **Corporate Governance**

17.14 The Board may, from time to time, and except as required by applicable law or (to the extent applicable) the Designated Stock Exchange Rules, adopt, institute, amend, modify or revoke the corporate governance policies or initiatives of the Company, which shall be intended to set forth the guiding principles and policies of the Company and the Board on various corporate governance related matters as the Board shall determine by resolution from time to time.

## **18 Meetings of Directors**

### **Regulation of Directors' meetings**

18.1 Subject to the provisions of these Articles, the Directors may regulate their proceedings as they think fit.

### **Calling meetings**

18.2 Any Director may call a meeting of Directors at any time. The Secretary must call a meeting of the Directors if requested to do so by a Director.

### **Notice of meetings**

18.3 Notice of a Board meeting may be given to a Director personally or by word of mouth or given in writing or by Electronic communications at such address as he may from time to time specify for this purpose (or, if he does not specify an address, at his last known address). A Director may waive his right to receive notice of any meeting either prospectively or retrospectively.

### **Use of technology**

18.4 A Director may participate in a meeting of Directors through the medium of conference telephone, video or any other form of communications equipment providing all persons participating in the meeting are able to hear and speak to each other throughout the meeting.

18.5 A Director participating in this way is deemed to be present in person at the meeting.

### **Quorum**

18.6 The quorum for the transaction of business at a meeting of Directors shall be two (except that if the Board is comprised of a single Director only, then the quorum shall be one) unless the Directors fix some other number.

### **Chairman or deputy to preside**

18.7 The Board may appoint a chairman and one or more deputy chairman or chairmen and may at any time revoke any such appointment.

18.8 The chairman, or failing him any deputy chairman (the longest in office taking precedence if more than one is present), shall preside at all Board meetings. If no chairman or deputy chairman has been appointed, or if he is not present within five minutes after the time fixed for holding the meeting, or is unwilling to act as chairman of the meeting, the Directors present shall choose one of their number to act as chairman of the meeting.

#### **Voting**

18.9 A question which arises at a Board meeting shall be decided by a majority of votes. If votes are equal the chairman may, if he wishes, exercise a casting vote.

#### **Recording of dissent**

18.10 A Director present at a meeting of Directors shall be presumed to have assented to any action taken at that meeting unless:

- (a) his dissent is entered in the minutes of the meeting; or
- (b) he has filed with the meeting before it is concluded signed dissent from that action; or
- (c) he has forwarded to the Company as soon as practical following the conclusion of that meeting signed dissent.

A Director who votes in favour of an action is not entitled to record his dissent to it.

#### **Written resolutions**

18.11 The Directors may pass a resolution in writing without holding a meeting if all Directors sign a document or sign several documents in the like form each signed by one or more of those Directors.

18.12 A written resolution signed by a validly appointed alternate Director need not also be signed by the appointing Director.

18.13 A written resolution signed personally by the appointing Director need not also be signed by his alternate.

18.14 A resolution in writing passed pursuant to Article 18.11, Article 18.12 and/or Article 18.13 shall be as effective as if it had been passed at a meeting of the Directors duly convened and held; and it shall be treated as having been passed on the day and at the time that the last Director signs (and for the avoidance of doubt, such day may or may not be a Business Day).

#### **Validity of acts of Directors in spite of formal defect**

18.15 All acts done by a meeting of the Board, or of a committee of the Board, or by any person acting as a Director or an alternate Director, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any Director or alternate Director or member of the committee, or that any of them were disqualified or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed and qualified and had continued to be a Director or alternate Director and had been entitled to vote.

**19 Permissible Directors' interests and disclosure**

- 19.1 Subject to Article 19.4, a Director may vote at a meeting of Directors on any resolution concerning a matter in which that Director has an interest or duty, whether directly or indirectly, so long as that Director discloses any material interest pursuant to these Articles. The Director shall be counted towards a quorum of those present at the meeting. If the director votes on the resolution, his vote shall be counted.
- 19.2 For the purposes of the preceding Article:
- (a) a general notice that a Director gives to the other Directors that he is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that he has an interest in or duty in relation to any such transaction of the nature and extent so specified; and
  - (b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.
- 19.3 A Director shall not be treated as having an interest in a transaction or arrangement if he has no knowledge of that interest and it is unreasonable to expect the director to have that knowledge.
- 19.4 For so long as Shares are listed on a Designated Stock Exchange, a Director shall not, as a Director, vote in respect of any contract, transaction, arrangement or proposal in which he has an interest which (together with any interest of any person connected with him) is a material interest (otherwise than by virtue of his interests, direct or indirect, in Shares or debentures or other securities of, or otherwise in or through, the Company) and if he shall do so his vote shall not be counted, nor in relation thereto shall he be counted in the quorum present at the meeting, but (in the absence of some other material interest than is mentioned below) none of these prohibitions shall apply to:
- (a) the giving of any security, guarantee or indemnity in respect of:
    - (i) money lent or obligations incurred by him or by any other person for the benefit of the Company or any of its subsidiaries; or
    - (ii) a debt or obligation of the Company or any of its subsidiaries for which the Director himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;

- (b) where the Company or any of its subsidiaries is offering securities in which offer the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the Director is to or may participate;
- (c) any contract, transaction, arrangement or proposal affecting any other body corporate in which he is interested, directly or indirectly and whether as an officer, shareholder, creditor or otherwise howsoever, provided that he (together with persons connected with him) does not to his knowledge hold an interest representing one per cent or more of any class of the equity share capital of such body corporate (or of any third body corporate through which his interest is derived) or of the voting rights available to members of the relevant body corporate (any such interest being deemed for the purposes of this Article 19.4 to be a material interest in all circumstances);
- (d) any act or thing done or to be done in respect of any arrangement for the benefit of the employees of the Company or any of its subsidiaries under which he is not accorded as a Director any privilege or advantage not generally accorded to the employees to whom such arrangement relates; or
- (e) any matter connected with the purchase or maintenance for any Director of insurance against any liability or (to the extent permitted by the Act) indemnities in favour of Directors, the funding of expenditure by one or more Directors in defending proceedings against him or them or the doing of any thing to enable such Director or Directors to avoid incurring such expenditure.

19.5 A Director may, as a Director, vote (and be counted in the quorum) in respect of any contract, transaction, arrangement or proposal in which he has an interest which is not a material interest or which falls within Article 19.4.

## **20 Minutes**

20.1 The Company shall cause minutes to be made in books of:

- (a) all appointments of Officers and committees made by the Board and of any such Officer's remuneration; and
- (b) the names of Directors present at every meeting of the Directors, a committee of the Board, the Company or the holders of any class of shares or debentures, and all orders, resolutions and proceedings of such meetings.

20.2 Any such minutes, if purporting to be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting or the Secretary, shall be prima facie evidence of the matters stated in them.

## **21 Accounts and audit**

- 21.1 The Directors must ensure that proper accounting and other records are kept, and that accounts and associated reports are distributed in accordance with the requirements of the Act.
- 21.2 The books of account shall be kept at the registered office of the Company and shall always be open to inspection by the Directors. No Member (other than a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by the Act or as authorised by the Directors or by Ordinary Resolution.
- 21.3 Unless the Directors otherwise prescribe, the financial year of the Company shall end on 30 September in each year and begin on 1 October in each year.

### **Auditors**

- 21.4 The Directors may appoint or remove an Auditor of the Company who shall hold office on such terms as the Directors determine, provided that for so long as any class of the Shares are listed on a Designated Stock Exchange, such appointment or removal shall be made in accordance with the applicable Designated Stock Exchange Rules.
- 21.5 At any general meeting convened and held at any time in accordance with these Articles, the Members may, by Ordinary Resolution, remove the Auditor before the expiration of his term of office. If they do so, the Members shall, by Ordinary Resolution, at that meeting appoint another Auditor in his stead for the remainder of his term.
- 21.6 The Auditors shall examine such books, accounts and vouchers; as may be necessary for the performance of their duties.
- 21.7 The Auditors shall, if so requested by the Directors, make a report on the accounts of the Company during their tenure of office at the next annual general meeting following their appointment, and at any time during their term of office, upon request of the Directors or any general meeting of the Company.

## **22 Record dates**

- 22.1 Except to the extent of any conflicting rights attached to Shares, the resolution declaring a dividend on Shares of any class, whether it be an Ordinary Resolution of the Members or a Director's resolution, may specify that the dividend is payable or distributable to the persons registered as the holders of those Shares at the close of business on a particular date, notwithstanding that the date may be a date prior to that on which the resolution is passed.
- 22.2 If the resolution does so specify, the dividend shall be payable or distributable to the persons registered as the holders of those Shares at the close of business on the specified date in accordance with their respective holdings so registered, but without prejudice to the rights *inter se* in respect of the dividend of transferors and transferees of any of those Shares.

22.3 The provisions of this Article apply, *mutatis mutandis*, to bonuses, capitalisation issues, distributions of realised capital profits or offers or grants made by the Company to the Members.

## **23 Dividends**

### **Source of dividends**

23.1 Dividends may be declared and paid out of any funds of the Company lawfully available for distribution.

23.2 Subject to the requirements of the Act regarding the application of a company's Share premium account and with the sanction of an Ordinary Resolution, dividends may also be declared and paid out of any share premium account.

### **Declaration of dividends by Members**

23.3 Subject to the provisions of the Act, the Company may by Ordinary Resolution declare dividends in accordance with the respective rights of the Members but no dividend shall exceed the amount recommended by the Directors.

### **Payment of interim dividends and declaration of final dividends by Directors**

23.4 The Directors may declare and pay interim dividends or recommend final dividends in accordance with the respective rights of the Members if it appears to them that they are justified by the financial position of the Company and that such dividends may lawfully be paid.

23.5 Subject to the provisions of the Act, in relation to the distinction between interim dividends and final dividends, the following applies:

- (a) Upon determination to pay a dividend or dividends described as interim by the Directors in the dividend resolution, no debt shall be created by the declaration until such time as payment is made.
- (b) Upon declaration of a dividend or dividends described as final by the Directors in the dividend resolution, a debt shall be created immediately following the declaration, the due date to be the date the dividend is stated to be payable in the resolution.

If the resolution fails to specify whether a dividend is final or interim, it shall be assumed to be interim.

23.6 In relation to Shares carrying differing rights to dividends or rights to dividends at a fixed rate, the following applies:

- (a) If the share capital is divided into different classes, the Directors may pay dividends on Shares which confer deferred or non-preferred rights with regard to dividends as well as on Shares which confer preferential rights with regard to dividends but no dividend shall be paid on Shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears.

- (b) The Directors may also pay, at intervals settled by them, any dividend payable at a fixed rate if it appears to them that there are sufficient funds of the Company lawfully available for distribution to justify the payment.
- (c) If the Directors act in good faith, they shall not incur any liability to the Members holding Shares conferring preferred rights for any loss those Members may suffer by the lawful payment of the dividend on any Shares having deferred or non-preferred rights.

**Apportionment of dividends**

- 23.7 Except as otherwise provided by the rights attached to Shares all dividends shall be declared and paid according to the amounts Paid Up on the Shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amount Paid Up on the Shares during the time or part of the time in respect of which the dividend is paid. But if a Share is issued on terms providing that it shall rank for dividend as from a particular date, that Share shall rank for dividend accordingly.

**Right of set off**

- 23.8 The Directors may deduct from a dividend or any other amount payable to a person in respect of a Share any amount due by that person to the Company on a call or otherwise in relation to a Share.

**Power to pay other than in cash**

- 23.9 If the Directors so determine, any resolution declaring a dividend may direct that it shall be satisfied wholly or partly by the distribution of assets. If a difficulty arises in relation to the distribution, the Directors may settle that difficulty in any way they consider appropriate. For example, they may do any one or more of the following:
- (a) issue fractional Shares;
  - (b) fix the value of assets for distribution and make cash payments to some Members on the footing of the value so fixed in order to adjust the rights of Members; and
  - (c) vest some assets in trustees.

**How payments may be made**

- 23.10 A dividend or other monies payable on or in respect of a Share may be paid in any of the following ways:
- (a) if the Member holding that Share or other person entitled to that Share nominates a bank account for that purpose - by wire transfer to that bank account; or

(b) by cheque or warrant sent by post to the registered address of the Member holding that Share or other person entitled to that Share.

23.11 For the purposes of Article 23.10(a), the nomination may be in writing or in an Electronic Record and the bank account nominated may be the bank account of another person. For the purposes of Article 23.10(b), subject to any applicable law or regulation, the cheque or warrant shall be made to the order of the Member holding that Share or other person entitled to the Share or to his nominee, whether nominated in writing or in an Electronic Record, and payment of the cheque or warrant shall be a good discharge to the Company.

23.12 If two or more persons are registered as the holders of the Share or are jointly entitled to it by reason of the death or bankruptcy of the registered holder (**Joint Holders**), a dividend (or other amount) payable on or in respect of that Share may be paid as follows:

(a) to the registered address of the Joint Holder of the Share who is named first on the register of Members or to the registered address of the deceased or bankrupt holder, as the case may be; or

(b) to the address or bank account of another person nominated by the Joint Holders, whether that nomination is in writing or in an Electronic Record.

23.13 Any Joint Holder of a Share may give a valid receipt for a dividend (or other amount) payable in respect of that Share.

**Dividends or other monies not to bear interest in absence of special rights**

23.14 Unless provided for by the rights attached to a Share, no dividend or other monies payable by the Company in respect of a Share shall bear interest.

**Dividends unable to be paid or unclaimed**

23.15 If a dividend cannot be paid to a Member or remains unclaimed within six weeks after it was declared or both, the Directors may pay it into a separate account in the Company's name. If a dividend is paid into a separate account, the Company shall not be constituted trustee in respect of that account and the dividend shall remain a debt due to the Member.

23.16 A dividend that remains unclaimed for a period of six years after it became due for payment shall be forfeited to, and shall cease to remain owing by, the Company.

**24 Capitalisation of profits**

**Capitalisation of profits or of any share premium account or capital redemption reserve;**

24.1 The Directors may resolve to capitalise:

(a) any part of the Company's profits not required for paying any preferential dividend (whether or not those profits are available for distribution); or

(b) any sum standing to the credit of the Company's share premium account or capital redemption reserve, if any.

24.2 The amount resolved to be capitalised must be appropriated to the Members who would have been entitled to it had it been distributed by way of dividend and in the same proportions. The benefit to each Member so entitled must be given in either or both of the following ways::

(a) by paying up the amounts unpaid on that Member's Shares;

(b) by issuing Fully Paid Up Shares, debentures or other securities of the Company to that Member or as that Member directs. The Directors may resolve that any Shares issued to the Member in respect of Partly Paid Up Shares (**Original Shares**) rank for dividend only to the extent that the Original Shares rank for dividend while those Original Shares remain Partly Paid Up.

#### **Applying an amount for the benefit of Members**

24.3 The amount capitalised must be applied to the benefit of Members in the proportions to which the Members would have been entitled to dividends if the amount capitalised had been distributed as a dividend.

24.4 Subject to the Act, if a fraction of a Share, a debenture or other security is allocated to a Member, the Directors may issue a fractional certificate to that Member or pay him the cash equivalent of the fraction.

#### **25 Share Premium Account**

##### **Directors to maintain share premium account**

25.1 The Directors shall establish a share premium account in accordance with the Act. They shall carry to the credit of that account from time to time an amount equal to the amount or value of the premium paid on the issue of any Share or capital contributed or such other amounts required by the Act.

##### **Debits to share premium account**

25.2 The following amounts shall be debited to any share premium account:

(a) on the redemption or purchase of a Share, the difference between the nominal value of that Share and the redemption or purchase price; and

(b) any other amount paid out of a share premium account as permitted by the Act.

25.3 Notwithstanding the preceding Article, on the redemption or purchase of a Share, the Directors may pay the difference between the nominal value of that Share and the redemption purchase price out of the profits of the Company or, as permitted by the Act, out of capital.

## **26 Seal**

### **Company seal**

26.1 The Company may have a seal if the Directors so determine.

### **Duplicate seal**

26.2 Subject to the provisions of the Act, the Company may also have a duplicate seal or seals for use in any place or places outside the Cayman Islands. Each duplicate seal shall be a facsimile of the original seal of the Company. However, if the Directors so determine, a duplicate seal shall have added on its face the name of the place where it is to be used.

### **When and how seal is to be used**

26.3 A seal may only be used by the authority of the Directors. Unless the Directors otherwise determine, a document to which a seal is affixed must be signed in one of the following ways:

- (a) by a Director (or his alternate) and the Secretary; or
- (b) by a single Director (or his alternate).

### **If no seal is adopted or used**

26.4 If the Directors do not adopt a seal, or a seal is not used, a document may be executed in the following manner:

- (a) by a Director (or his alternate) and the Secretary; or
- (b) by a single Director (or his alternate); or
- (c) in any other manner permitted by the Act.

### **Power to allow non-manual signatures and facsimile printing of seal**

26.5 The Directors may determine that either or both of the following applies:

- (a) that the seal or a duplicate seal need not be affixed manually but may be affixed by some other method or system of reproduction;
- (b) that a signature required by these Articles need not be manual but may be a mechanical or Electronic Signature.

### **Validity of execution**

26.6 If a document is duly executed and delivered by or on behalf of the Company, it shall not be regarded as invalid merely because, at the date of the delivery, the Secretary, or the Director, or other Officer or person who signed the document or affixed the seal for and on behalf of the Company ceased to be the Secretary or hold that office and authority on behalf of the Company.

**27 Indemnity**

- 27.1 To the extent permitted by law, the Company shall indemnify each existing or former Director (including alternate Director), Secretary and other Officer of the Company (including an investment adviser or an administrator or liquidator) and their personal representatives against:
- (a) all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by the existing or former Director (including alternate Director), Secretary or Officer in or about the conduct of the Company's business or affairs or in the execution or discharge of the existing or former Director's (including alternate Director's), Secretary's or Officer's duties, powers, authorities or discretions; and
  - (b) without limitation to paragraph (a), all costs, expenses, losses or liabilities incurred by the existing or former Director (including alternate Director), Secretary or Officer in defending (whether successfully or otherwise) any civil, criminal, administrative or investigative proceedings (whether threatened, pending or completed) concerning the Company or its affairs in any court or tribunal, whether in the Cayman Islands or elsewhere.

No such existing or former Director (including alternate Director), Secretary or Officer, however, shall be indemnified in respect of any matter arising out of his own dishonesty.

- 27.2 To the extent permitted by Act, the Company may make a payment, or agree to make a payment, whether by way of advance, loan or otherwise, for any legal costs incurred by an existing or former Director (including alternate Director), Secretary or Officer of the Company in respect of any matter identified in Article 27.1 on condition that the Director (including alternate Director), Secretary or Officer must repay the amount paid by the Company to the extent that it is ultimately found not liable to indemnify the Director (including alternate Director), Secretary or that Officer for those legal costs.

**Release**

- 27.3 To the extent permitted by the Act, the Company may by Special Resolution release any existing or former Director (including alternate Director), Secretary or other Officer of the Company from liability for any loss or damage or right to compensation which may arise out of or in connection with the execution or discharge of the duties, powers, authorities or discretions of his office; but there may be no release from liability arising out of or in connection with that person's own dishonesty.

## **Insurance**

27.4 To the extent permitted by Act, the Company may pay, or agree to pay, a premium in respect of a contract insuring each of the following persons against risks determined by the Directors, other than liability arising out of that person's own dishonesty:

- (a) an existing or former Director (including alternate Director), Secretary or Officer or auditor of:
  - (i) the Company;
  - (ii) a company which is or was a subsidiary of the Company;
  - (iii) a company in which the Company has or had an interest (whether direct or indirect); and
- (b) a trustee of an employee or retirement benefits scheme or other trust in which any of the persons referred to in paragraph (a) is or was interested.

## **28 Notices**

### **Form of notices**

28.1 Save where these Articles provide otherwise, and subject to the Designated Stock Exchange Rules (to the extent applicable), any notice to be given to or by any person pursuant to these Articles shall be:

- (a) in writing signed by or on behalf of the giver in the manner set out below for written notices; or
- (b) subject to the next Article, in an Electronic Record signed by or on behalf of the giver by Electronic Signature and authenticated in accordance with Articles about authentication of Electronic Records; or
- (c) where these Articles expressly permit, by the Company by means of a website.

### **Electronic communications**

28.2 A notice may only be given to the Company in an Electronic Record if:

- (a) the Directors so resolve or otherwise accept the notice;
- (b) any Director or Officer provides the giver of the notice an electronic address to which the notice may be sent and a notice is sent to that address within a reasonable period of time.

- 28.3 A notice may not be given by Electronic Record to a person other than the Company unless the recipient has provided the giver of the notice with an Electronic address to which notice may be sent.
- 28.4 Subject to the Act, (to the extent applicable) the Designated Stock Exchange Rules and to any other rules which the Company is bound to follow, the Company may also send any notice or other document pursuant to these Articles to a Member by publishing that notice or other document on the Company's website.

**Persons entitled to notices**

- 28.5 For so long as the Shares are listed on a Designated Stock Exchange, any notice or other document to be given to a Member may be given by reference to the register of Members as it stands at any time within the period of twenty-one days before the day that the notice is given or (where and as applicable) within any other period permitted by, or in accordance with the requirements of, (to the extent applicable) the Designated Stock Exchange Rules and/or the Designated Stock Exchanges. No change in the register of Members after that time shall invalidate the giving of such notice or document or require the Company to give such item to any other person.

**Persons authorised to give notices**

- 28.6 A notice by either the Company or a Member pursuant to these Articles may be given on behalf of the Company or a Member by a Director or company secretary of the Company or a Member.

**Delivery of written notices**

- 28.7 Save where these Articles provide otherwise, a notice in writing may be given personally to the recipient, or left at (as appropriate) the Member's or Director's registered address or the Company's registered office, or posted to that registered address or registered office.

**Joint holders**

- 28.8 Where Members are joint holders of a Share, all notices shall be given to the Member whose name first appears in the register of Members.

**Signatures**

- 28.9 A written notice shall be signed when it is autographed by or on behalf of the giver, or is marked in such a way as to indicate its execution or adoption by the giver.
- 28.10 An Electronic Record may be signed by an Electronic Signature.

**Evidence of transmission**

- 28.11 A notice given by Electronic Record shall be deemed sent if an Electronic Record is kept demonstrating the time, date and content of the transmission, and if no notification of failure to transmit is received by the giver.
- 28.12 A notice given in writing shall be deemed sent if the giver can provide proof that the envelope containing the notice was properly addressed, pre-paid and posted, or that the written notice was otherwise properly transmitted to the recipient.
- 28.13 A Member present, either in person or by proxy, at any meeting of the Company or of the holders of any class of Shares shall be deemed to have received due notice of the meeting and, where requisite, of the purposes for which it was called.

**Giving notice to a deceased or bankrupt Member**

- 28.14 A notice may be given by the Company to the persons entitled to a Share in consequence of the death or bankruptcy of a Member by sending or delivering it, in any manner authorised by these Articles for the giving of notice to a Member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description, at the address, if any, supplied for that purpose by the persons claiming to be so entitled.
- 28.15 Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

**Date of giving notices**

- 28.16 A notice is given on the date identified in the following table

**Method for giving notices**

- (A) Personally
- (B) By leaving it at the Member's registered address
- (C) By posting it by prepaid post to the street or postal address of that recipient
- (D) By Electronic Record (other than publication on a website), to recipient's Electronic address
- (E) By publication on a website

**When taken to be given**

- At the time and date of delivery
- At the time and date it was left
- 48 hours after the date it was posted
- On the day on which it is transmitted from the server of the Company or its agent
- On the day the notice or document is published on the website

**Saving provision**

- 28.17 None of the preceding notice provisions shall derogate from the Articles about the delivery of written resolutions of Directors and written resolutions of Members.

## 29 Authentication of Electronic Records

### Application of Articles

- 29.1 Without limitation to any other provision of these Articles, any notice, written resolution or other document under these Articles that is sent by Electronic means by a Member, or by the Secretary, or by a Director or other Officer of the Company, shall be deemed to be authentic if either Article 29.2 or Article 29.4 applies.

### Authentication of documents sent by Members by Electronic means

- 29.2 An Electronic Record of a notice, written resolution or other document sent by Electronic means by or on behalf of one or more Members shall be deemed to be authentic if the following conditions are satisfied:
- (a) the Member or each Member, as the case may be, signed the original document, and for this purpose **Original Document** includes several documents in like form signed by one or more of those Members; and
  - (b) the Electronic Record of the Original Document was sent by Electronic means by, or at the direction of, that Member to an address specified in accordance with these Articles for the purpose for which it was sent; and
  - (c) Article 29.7 does not apply.
- 29.3 For example, where a sole Member signs a resolution and sends the Electronic Record of the original resolution, or causes it to be sent, by facsimile transmission to the address in these Articles specified for that purpose, the facsimile copy shall be deemed to be the written resolution of that Member unless Article 29.7 applies.

### Authentication of document sent by the Secretary or Officers of the Company by Electronic means

- 29.4 An Electronic Record of a notice, written resolution or other document sent by or on behalf of the Secretary or an Officer or Officers of the Company shall be deemed to be authentic if the following conditions are satisfied:
- (a) the Secretary or the Officer or each Officer, as the case may be, signed the original document, and for this purpose **Original Document** includes several documents in like form signed by the Secretary or one or more of those Officers; and
  - (b) the Electronic Record of the Original Document was sent by Electronic means by, or at the direction of, the Secretary or that Officer to an address specified in accordance with these Articles for the purpose for which it was sent; and
  - (c) Article 29.7 does not apply.

This Article 29.4 applies whether the document is sent by or on behalf of the Secretary or Officer in his own right or as a representative of the Company.

29.5 For example, where a sole Director signs a resolution and scans the resolution, or causes it to be scanned, as a PDF version which is attached to an email sent to the address in these Articles specified for that purpose, the PDF version shall be deemed to be the written resolution of that Director unless Article 29.7 applies.

#### **Manner of signing**

29.6 For the purposes of these Articles about the authentication of Electronic Records, a document will be taken to be signed if it is signed manually or in any other manner permitted by these Articles.

#### **Saving provision**

29.7 A notice, written resolution or other document under these Articles will not be deemed to be authentic if the recipient, acting reasonably:

- (a) believes that the signature of the signatory has been altered after the signatory had signed the original document; or
- (b) believes that the original document, or the Electronic Record of it, was altered, without the approval of the signatory, after the signatory signed the original document; or
- (c) otherwise doubts the authenticity of the Electronic Record of the document

and the recipient promptly gives notice to the sender setting the grounds of its objection. If the recipient invokes this Article, the sender may seek to establish the authenticity of the Electronic Record in any way the sender thinks fit.

#### **30 Transfer by way of continuation**

30.1 The Company may, by Special Resolution, resolve to be registered by way of continuation in a jurisdiction outside:

- (a) the Cayman Islands; or
- (b) such other jurisdiction in which it is, for the time being, incorporated, registered or existing.

30.2 To give effect to any resolution made pursuant to the preceding Article, the Directors may cause the following:

- (a) an application be made to the Registrar of Companies of the Cayman Islands to deregister the Company in the Cayman Islands or in the other jurisdiction in which it is for the time being incorporated, registered or existing; and

(b) all such further steps as they consider appropriate to be taken to effect the transfer by way of continuation of the Company.

### **31 Winding up**

#### **Distribution of assets in specie**

31.1 If the Company is wound up the Members may, subject to these Articles and any other sanction required by the Act, pass a Special Resolution allowing the liquidator to do either or both of the following:

- (a) to divide in specie among the Members the whole or any part of the assets of the Company and, for that purpose, to value any assets and to determine how the division shall be carried out as between the Members or different classes of Members; and/or
- (b) to vest the whole or any part of the assets in trustees for the benefit of Members and those liable to contribute to the winding up.

#### **No obligation to accept liability**

31.2 No Member shall be compelled to accept any assets if an obligation attaches to them.

31.3 The Directors are authorised to present a winding up petition

31.4 The Directors have the authority to present a petition for the winding up of the Company to the Grand Court of the Cayman Islands on behalf of the Company without the sanction of a resolution passed at a general meeting.

### **32 Amendment of Memorandum and Articles**

#### **Power to change name or amend Memorandum**

32.1 Subject to the Act, the Company may, by Special Resolution:

- (a) change its name; or
- (b) change the provisions of its Memorandum with respect to its objects, powers or any other matter specified in the Memorandum.

#### **Power to amend these Articles**

32.2 Subject to the Act and as provided in these Articles, the Company may, by Special Resolution, amend these Articles in whole or in part.

**Companies Act (Revised)**  
**Company Limited by Shares**  
**Youxin Technology Ltd**

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**FIFTH AMENDED AND RESTATED**  
**MEMORANDUM OF ASSOCIATION**  
**(adopted by special resolution passed on December 9, 2025)**

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**Companies Act (Revised)**  
**Company Limited by Shares**  
**Fifth Amended and Restated Memorandum of Association**  
**of**  
**Youxin Technology Ltd**  
**(adopted by special resolution passed on December 9, 2025)**

- 1 The name of the Company is Youxin Technology Ltd.
- 2 The Company's registered office will be situated at the office of Ogier Global (Cayman) Limited, 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands or at such other place in the Cayman Islands as the directors may at any time decide.
- 3 The Company's objects are unrestricted. As provided by section 7(4) of the Companies Act (Revised), the Company has full power and authority to carry out any object not prohibited by any law of the Cayman Islands.
- 4 The Company has unrestricted corporate capacity. Without limitation to the foregoing, as provided by section 27 (2) of the Companies Act (Revised), the Company has and is capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit.
- 5 Nothing in any of the preceding paragraphs permits the Company to carry on any of the following businesses without being duly licensed, namely:
- (a) the business of a bank or trust company without being licensed in that behalf under the Banks and Trust Companies Act (Revised); or
  - (b) insurance business from within the Cayman Islands or the business of an insurance manager, agent, sub-agent or broker without being licensed in that behalf under the Insurance Act (Revised); or
  - (c) the business of company management without being licensed in that behalf under the Companies Management Act (Revised).
- 6 Unless licensed to do so, the Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of its business carried on outside the Cayman Islands. Despite this, the Company may effect and conclude contracts in the Cayman Islands and exercise in the Cayman Islands any of its powers necessary for the carrying on of its business outside the Cayman Islands.
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- 7 The Company is a company limited by shares and accordingly the liability of each member is limited to the amount (if any) unpaid on that member's shares.
- 8 The share capital of the Company is USD1,640,000 divided into (i) 204,750,000 class A ordinary shares of USD0.008 par value each and (ii) 20,000,000 class B ordinary shares of USD0.0001 par value each. Subject to the Companies Act (Revised) and the Company's articles of association, the Company has power to do any one or more of the following:
- (a) to redeem or repurchase any of its shares; and
  - (b) to increase or reduce its capital; and
  - (c) to issue any part of its capital (whether original, redeemed, increased or reduced):
    - (i) with or without any preferential, deferred, qualified or special rights, privileges or conditions; or
    - (ii) subject to any limitations or restrictionsand unless the condition of issue expressly declares otherwise, every issue of shares (whether declared to be ordinary, preference or otherwise) is subject to this power; or
  - (d) to alter any of those rights, privileges, conditions, limitations or restrictions.
- 9 The Company has power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.
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**Companies Act (Revised)**  
**Company Limited by Shares**  
**Youxin Technology Ltd**

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**FIFTH AMENDED AND RESTATED**  
**ARTICLES OF ASSOCIATION**  
**(adopted by special resolution passed on December 9, 2025)**

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**Companies Act (Revised)**  
**Company Limited by Shares**  
**Fifth Amended and Restated Articles of Association**  
**of**  
**Youxin Technology Ltd**

**(adopted by special resolution passed on December 9, 2025)**

**1 Definitions, interpretation and exclusion of Table A**

**Definitions**

1.1 In these Articles, the following definitions apply:

**Act** means the Companies Act (Revised) of the Cayman Islands, including any statutory modification or re-enactment thereof for the time being in force;

**Affiliate** means in respect of a person or entity, any other person or entity that, directly or indirectly (including through one or more intermediaries), controls, is controlled by, or is under common control with, such person or entity, and (i) in the case of a natural person, shall include, without limitation, such person's spouse, parents, children, siblings, mother-in-law and father-in-law, son-in-law, daughter-in-law and brothers and sisters-in-law, a trust solely for the benefit of any of the foregoing, a company, partnership or entity wholly owned by one or more of the foregoing, and (ii) in the case of an entity, shall include a partnership, a corporation or any natural person or entity which directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such entity. The term "**control**" in this definition shall mean the ownership, directly or indirectly, of securities possessing more than fifty percent (50%) of the voting power of the corporation, or the partnership or other entity (other than, in the case of corporation, securities having such power only by reason of the happening of a contingency not within the reasonable control of such partnership, corporation, natural person or entity), or having the power to control the management or elect a majority of members to the board of directors or equivalent decision-making body of such corporation, partnership or other entity;

**Articles** means, as appropriate:

- (a) these articles of association as amended from time to time: or
- (b) two or more particular articles of these Articles;

and **Article** refers to a particular article of these Articles;

**Auditors** means the auditor or auditors for the time being of the Company;

**Board** means the board of Directors from time to time;

**Business Day** means a day when banks in Grand Cayman, the Cayman Islands are open for the transaction of normal banking business and for the avoidance of doubt, shall not include a Saturday, Sunday or public holiday in the Cayman Islands;

**Cayman Islands** means the British Overseas Territory of the Cayman Islands;

**Class A Shares** means the class A ordinary shares of the Company with a par value of USD0.008 each, which have the rights set forth in the Memorandum and these Articles;

**Class B Shares** means the class B ordinary shares of the Company with a par value of USD0.0001 each, which have the rights set forth in the Memorandum and these Articles;

**Class B Majority** means the holders of a majority of the votes of the outstanding Class B Shares;

**Clear Days**, in relation to a period of notice, means that period excluding:

- (a) the day when the notice is given or deemed to be given; and
- (b) the day for which it is given or on which it is to take effect;

**Commission** means Securities and Exchange Commission of the United States of America or other federal agency for the time being administering the U.S. Securities Act;

**Company** means the above-named company;

**Conversion Date** means in respect of a Conversion Notice means the day on which that Conversion Notice is delivered;

**Conversion Notice** means a written notice delivered to the Company at its office (and as otherwise stated therein) stating that a holder of Class B Shares elects to convert the number of Class B Shares specified therein pursuant to Article 2.8(a);

**Conversion Number** in relation to any Class B Shares, such number of Class A Shares as may, upon exercise of the Conversion Right, be issued at the Conversion Rate;

**Conversion Rate** in relation to the conversion of Class B Shares to Class A Shares means, at any time, on a 1:1 basis. The foregoing Conversion Rate shall also be adjusted to account for any subdivision (by share split, subdivision, exchange, capitalisation, rights issue, reclassification, recapitalisation or otherwise) or combination (by reverse share split, share consolidation, exchange, reclassification, recapitalisation or otherwise) or similar reclassification or recapitalisation of the Class A Shares in issue into a greater or lesser number of shares occurring after the original filing of the Articles without a proportionate and corresponding subdivision, combination or similar reclassification or recapitalisation of the Class B Shares in issue;

**Conversion Right** in respect of a holder of Class B Shares, subject to the provisions of these Articles and to any applicable fiscal or other laws or regulations including the Act, to convert all or any of its Class B Shares into the Conversion Number of Class A Shares in its discretion;

**Default Rate** means ten per cent per annum;

**Designated Stock Exchanges** means NASDAQ Stock Market in the United States of America for so long as any class of the Company's Shares are there listed and any other stock exchange on which any class of the Company's Shares are listed for trading;

**Designated Stock Exchange Rules** means the relevant code, rules and regulations, as amended, from time to time, applicable as a result of the original and continued listing of any Shares on the Designated Stock Exchanges;

**Directors** means the directors for the time being of the Company, and the expression Director shall be construed accordingly;

**Electronic** has the meaning given to that term in the Electronic Transactions Act (Revised) of the Cayman Islands;

**Electronic Communication Facilities** means video, video-conferencing, internet or online conferencing applications, telephone or tele-conferencing and/or any other video-communications, internet or online conferencing application or telecommunications facilities by means of which all persons participating in a meeting are capable of hearing and being heard by each other;

**Electronic Record** has the meaning given to that term in the Electronic Transactions Act (Revised) of the Cayman Islands;

**Electronic Signature** has the meaning given to that term in the Electronic Transactions Act (Revised) of the Cayman Islands;

**Fully Paid Up** means:

- (a) in relation to a Share with par value, means that the par value for that Share and any premium payable in respect of the issue of that Share, has been fully paid or credited as paid in money or money's worth; and
- (b) in relation to a Share without par value, means that the agreed issue price for that Share has been fully paid or credited as paid in money or money's worth;

**general meeting** means a general meeting of the Company duly constituted in accordance with the Articles;

**Independent Director** means a Director who is an independent director as defined in the Designated Stock Exchange Rules as determined by the Board;

**Member** means any person or persons entered on the register of Members from time to time as the holder of a Share;

**Memorandum** means the memorandum of association of the Company as amended from time to time;

**month** means a calendar month;

**Officer** means a person appointed to hold an office in the Company including a Director, alternate Director or liquidator and excluding the Secretary;

**Ordinary Resolution** means a resolution of a duly constituted general meeting of the Company passed by a simple majority of the votes cast by, or on behalf of, the Members who (being entitled to do so) vote in person or by proxy or, in the case of corporations, by their duly authorised representatives, at that meeting. The expression also includes a written resolution signed by the requisite majority in accordance with Article 11.14.

**Partly Paid Up** means:

- (a) in relation to a Share with par value, that the par value for that Share and any premium payable in respect of the issue of that Share, has not been fully paid or credited as paid in money or money's worth; and
- (b) in relation to a Share without par value, means that the agreed issue price for that Share has not been fully paid or credited as paid in money or money's worth;

**Secretary** means a person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;

**Share** means a Class A Share or a Class B Share in the capital of the Company and the expression:

- (a) includes stock (except where a distinction between shares and stock is expressed or implied); and
- (b) where the context permits, also includes a fraction of a Share;

**Special Resolution** means a resolution of a general meeting or a resolution of a meeting of the holders of any class of Shares in a class meeting duly constituted in accordance with the Articles in each case passed by a majority of not less than two-thirds of the votes cast by, or on behalf of, Members who (being entitled to do so) vote in person or by proxy at that meeting. The expression includes a unanimous written resolution signed by all of the Members entitled to vote at such meeting;

**Treasury Shares** means Shares held in treasury pursuant to the Act and Article 2.13;

**U.S. Securities Act** means the Securities Act of 1933 of the United States of America, as amended, or any similar federal statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time; and

**Virtual Meeting** means any general meeting of the Members at which the Members (and any other permitted participants of such meeting, including without limitation the chairman of the meeting and any Directors) are permitted to attend and participate solely by means of Electronic Communication Facilities.

## **Interpretation**

1.2 In the interpretation of these Articles, the following provisions apply unless the context otherwise requires:

- (a) A reference in these Articles to a statute is a reference to a statute of the Cayman Islands as known by its short title, and includes:
  - (i) any statutory modification, amendment or re-enactment; and
  - (ii) any subordinate legislation or regulations issued under that statute.

Without limitation to the preceding sentence, a reference to a revised Act of the Cayman Islands is taken to be a reference to the revision of that Act in force from time to time as amended from time to time.

- (b) Headings are inserted for convenience only and do not affect the interpretation of these Articles, unless there is ambiguity.
- (c) If a day on which any act, matter or thing is to be done under these Articles is not a Business Day, the act, matter or thing must be done on the next Business Day.
- (d) A word which denotes the singular also denotes the plural, a word which denotes the plural also denotes the singular, and a reference to any gender also denotes the other genders.
- (e) A reference to a **person** includes, as appropriate, a company, trust, partnership, joint venture, association, body corporate or government agency.
- (f) Where a word or phrase is given a defined meaning another part of speech or grammatical form in respect to that word or phrase has a corresponding meaning.
- (g) All references to time are to be calculated by reference to time in the place where the Company's registered office is located.
- (h) The words **written** and **in writing** include all modes of representing or reproducing words in a visible form, but do not include an Electronic Record where the distinction between a document in writing and an Electronic Record is expressed or implied.

- (i) The words **including, include and in particular** or any similar expression are to be construed without limitation.
- (j) The term “**present**” means, in respect of any person attending a meeting, such person’s presence at a general meeting of Members (or any meeting of the holders of any class of Shares), which may be satisfied by means of such person or, if a corporation or other non-natural person, its duly authorized representative (or, in the case of any Member, a proxy which has been validly appointed by such Member in accordance with these Articles), being: (a) physically present at the meeting; or (b) in the case of any meeting at which Electronic Communication Facilities are permitted in accordance with these Articles, including any Virtual Meeting, connected by means of the use of such Electronic Communication Facilities.

1.3 The headings in these Articles are intended for convenience only and shall not affect the interpretation of these Articles.

**Exclusion of Table A Articles**

1.4 The regulations contained in Table A in the First Schedule of the Act and any other regulations contained in any statute or subordinate legislation are expressly excluded and do not apply to the Company.

**2 Shares**

**Power to issue Shares and options, with or without special rights**

2.1 Subject to the provisions of the Act and these Articles about the redemption and purchase of the Shares, the Directors have general and unconditional authority to allot (with or without confirming rights of renunciation), grant options over or otherwise deal with any unissued Shares to such persons, at such times and on such terms and conditions as they may decide, provided that no Class B Shares shall be issued without the prior consent of the Class B Majority (which consent may be obtained either by written consent signed by the Class B Majority or by a vote at a separate general meeting of the holders of the Class B Shares). No Share may be issued at a discount except in accordance with the provisions of the Act. Subject to the Act, the Company may issue fractions of a Share of any class. A fraction of a Share shall be subject to and carry the corresponding fraction of liabilities (whether with respect to calls or otherwise), limitations, preferences, privileges, qualifications, restrictions, rights and other attributes of a Share of that class of Shares.

2.2 Without limitation to the preceding Article, the Directors may so deal with the unissued Shares:

- (a) either at a premium or at par; or
- (b) with or without preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise.

2.3 Without limitation to the two preceding Articles, the Directors may refuse to accept any application for Shares, and may accept any application in whole or in part, for any reason or for no reason.

#### **Power to pay commissions and brokerage fees**

2.4 The Company may pay a commission to any person in consideration of that person:

- (a) subscribing or agreeing to subscribe, whether absolutely or conditionally; or
- (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,

for any Shares. That commission may be satisfied by the payment of cash or the allotment of Fully Paid Up or Partly Paid Up Shares or partly in one way and partly in another.

2.5 The Company may employ a broker in the issue of its capital and pay him any proper commission or brokerage.

#### **Trusts not recognised**

2.6 Except as required by law:

- (a) no person shall be recognised by the Company as holding any Share on any trust; and
- (b) no person other than the Member shall be recognised by the Company as having any right in a Share.

#### **Security interests**

2.7 Notwithstanding the preceding Article, the Company may (but shall not be obliged to) recognise a security interest of which it has actual notice over shares. The Company shall not be treated as having recognised any such security interest unless it has so agreed in writing with the secured party.

#### **Rights of Shares**

2.8 Subject to Article 2.1, the Memorandum and any special resolution of the Members to the contrary and without prejudice to any special rights conferred thereby on the holders of any other Shares or class of Shares, Class A Shares and Class B Shares shall carry equal rights and rank *pari passu* with one another in all respects other than as set out below:

- (a) Conversion Rights:
  - (i) Subject to the provisions hereof and to compliance with all fiscal and other laws and regulations applicable thereto, including the Act, a holder of Class B Shares shall have the Conversion Right in respect of each Class B Share in its holding. For the avoidance of doubt, a holder of Class A Shares shall have no rights to convert Class A Shares into Class B Shares under any circumstances.

- (ii) Each Class B Share shall be converted at the option of the holder, at any time after issuance and without the payment of any additional sum, into such Conversion Number of fully paid Class A Shares calculated at the Conversion Rate. Such conversion shall take effect on the Conversion Date. A Conversion Notice shall not be effective if it is not accompanied by the share certificates in respect of the relevant Class B Shares and/or such other evidence (if any) as the Directors may reasonably require to prove the title of the person exercising such right (or, if such certificates have been lost or destroyed, such evidence of title and such indemnity as the Directors may reasonably require). Any and all taxes and stamp, issue and registration duties (if any) arising on conversion shall be borne by the holder of Class B Shares requesting conversion.
- (iii) On the Conversion Date, subject to the Act, any conversion of Class B Shares into Class A Shares pursuant to these Articles shall be effected by repurchasing the relevant Class B Shares and in consideration therefor issuing fully-paid Class A Shares in equal number with such rights and restrictions attached thereto and shall rank *pari passu* in all respects with the Class A Shares then in issue and the Company shall enter or procure the entry of the name of the relevant holder of converted Class B Shares as the holder of the corresponding number of Class A Shares resulting from the conversion of the Class B Shares in, and make any other necessary and consequential changes to, the register of Members and shall procure that certificates in respect of the relevant Class A Shares, together with a new certificate for any unconverted Class B Shares comprised in the certificate(s) surrendered by the holder of the Class B Shares, are issued to the holders thereof. Such conversion shall become effective forthwith upon entries being made in the Register of Members to record the conversion of the relevant Class B Shares into Class A Shares.
- (iv) Until such time as the Class B Shares have been converted into Class A Shares, the Company shall:
  - (A) at all times keep available for issue and free of all liens, charges, options, mortgages, pledges, claims, equities, encumbrances and other third-party rights of any nature, and not subject to any pre-emptive rights out of its authorised but unissued share capital, such number of authorised but unissued Class A Shares as would enable all Class B Shares to be converted into Class A Shares and any other rights of conversion into, subscription for or exchange into Class A Shares to be satisfied in full; and
  - (B) not make any issue, grant or distribution or take any other action if the effect would be that on the conversion of the Class B Shares to Class A Shares it would be required to issue Class A Shares at a price lower than the par value thereof.

- (b) Voting Rights:
- (i) Holders of Class A Shares and Class B Shares have the right to receive notice of, attend, speak and vote at general meetings of the Company. Holders of shares of Class A Shares and Class B Shares shall, at all times, vote together as a single class on all matters submitted to a vote for Members' consent.
  - (ii) Each Class A Share shall be entitled to one (1) vote on all matters subject to the vote by Members.
  - (iii) Each Class B Share shall be entitled to twenty (20) votes on all matters subject to the vote by Members.
- (c) Transfer
- (i) Upon any sale, transfer, assignment or disposition of Class B Shares by a holder thereof to any person or entity which is not an Affiliate of such holder, such Class B Shares validly transferred to the new holder shall be automatically and immediately converted into such Conversion Number of Class A Shares calculated based on the Conversion Rate.
  - (ii) For the avoidance of doubt, (i) a sale, transfer, assignment or disposition shall be effective upon the Company's registration of such sale, transfer, assignment or disposition in the Company's register of Members; and (ii) the creation of any pledge, charge, encumbrance or other third party right of whatever description on any of Class B Shares to secure a holder's contractual or legal obligations shall not be deemed as a sale, transfer, assignment or disposition unless and until any such pledge, charge, encumbrance or other third party right is enforced and results in the third party holding fee simple ownership interest to the related Class B Shares, in which case all the related Class B Shares shall be automatically converted into the same number of Class A Shares upon the Company's registration of the third party or its designee as a Member holding that number of Class A Shares in the register of Members.

**Power to vary class rights**

2.9 If the share capital is divided into different classes of Shares then, unless the terms on which a class of Shares was issued state otherwise, the rights attaching to a class of Shares may only be varied if one of the following applies:

- (a) the Members holding not less than two-thirds of the issued Shares of that class consent in writing to the variation; or

(b) the variation is made with the sanction of a Special Resolution passed at a separate general meeting of the Members holding the issued Shares of that class.

2.10 For the purpose of Article 2.9(b), all the provisions of these Articles relating to general meetings apply, *mutatis mutandis*, to every such separate meeting except that the necessary quorum shall be one or more persons holding, or representing by proxy, not less than one third of the issued Shares of the class.

2.11 For the purposes of a separate class meeting, the Directors may treat two or more or all the classes of Shares as forming one class of Shares if the Directors consider that such classes of Shares would be affected in the same way by the proposals under consideration, but in any other case shall treat them as separate classes of Shares.

**Effect of new Share issue on existing class rights**

2.12 Unless the terms on which a class of Shares was issued state otherwise, the rights conferred on the Member holding Shares of any class shall not be deemed to be varied by the creation or issue of further Shares ranking *pari passu* with the existing Shares of that class.

**No bearer Shares or warrants**

2.13 The Company shall not issue Shares or warrants to bearers.

**Treasury Shares**

2.14 Shares that the Company purchases, redeems or acquires by way of surrender in accordance with the Act shall be held as Treasury Shares and not treated as cancelled if:

- (a) the Directors so determine prior to the purchase, redemption or surrender of those shares; and
- (b) the relevant provisions of the Memorandum and Articles and the Act are otherwise complied with.

**Rights attaching to Treasury Shares and related matters**

2.15 No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to Members on a winding up) may be made to the Company in respect of a Treasury Share.

2.16 The Company shall be entered in the register of Members as the holder of the Treasury Shares. However:

- (a) the Company shall not be treated as a Member for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void; and

(b) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of these Articles or the Act.

2.17 Nothing in Article 2.16 prevents an allotment of Shares as Fully Paid Up bonus shares in respect of a Treasury Share and Shares allotted as Fully Paid Up bonus shares in respect of a Treasury Share shall be treated as Treasury Shares.

2.18 Treasury Shares may be disposed of by the Company in accordance with the Act and otherwise on such terms and conditions as the Directors determine.

#### **Register of Members**

2.19 The Directors shall keep or cause to be kept a register of Members as required by the Act and may cause the Company to maintain one or more branch registers as contemplated by the Act, provided that where the Company is maintaining one or more branch registers, the Directors shall ensure that a duplicate of each branch register is kept with the Company's principal register of Members and updated within such number of days of any amendment having been made to such branch register as may be required by the Act.

2.20 The title to Shares listed on a Designated Stock Exchange may be evidenced and transferred in accordance with the laws applicable to the rules and regulations of the Designated Stock Exchange and, for these purposes, the register of Members may be maintained in accordance with Section 40B of the Act.

#### **Annual Return**

2.21 The Directors in each calendar year shall prepare or cause to be prepared an annual return and declaration setting forth the particulars required by the Act and shall deliver a copy thereof to the registrar of companies for the Cayman Islands.

### **3 Share certificates**

#### **Issue of share certificates**

3.1 A Member shall only be entitled to a share certificate if the Directors resolve that share certificates shall be issued. Share certificates representing Shares, if any, shall be in such form as the Directors may determine. If the Directors resolve that share certificates shall be issued, upon being entered in the register of Members as the holder of a Share, the Directors may issue to any Member:

(a) without payment, one certificate for all the Shares of each class held by that Member (and, upon transferring a part of the Member's holding of Shares of any class, to a certificate for the balance of that holding); and

(b) upon payment of such reasonable sum as the Directors may determine for every certificate after the first, several certificates each for one or more of that Member's Shares.

3.2 Every certificate shall specify the number, class and distinguishing numbers (if any) of the Shares to which it relates and whether they are Fully Paid Up or Partly Paid Up. A certificate may be executed under seal or executed in such other manner as the Directors determine.

3.3 Every certificate shall bear legends required under the applicable laws, including the U.S. Securities Act (to the extent applicable).

3.4 The Company shall not be bound to issue more than one certificate for Shares held jointly by several persons and delivery of a certificate for a Share to one joint holder shall be a sufficient delivery to all of them.

#### **Renewal of lost or damaged share certificates**

3.5 If a share certificate is defaced, worn-out, lost or destroyed, it may be renewed on such terms (if any) as to:

(a) evidence;

(b) indemnity;

(c) payment of the expenses reasonably incurred by the Company in investigating the evidence; and

(d) payment of a reasonable fee, if any for issuing a replacement share certificate,

as the Directors may determine, and (in the case of defacement or wearing-out) on delivery to the Company of the old certificate.

#### **4 Lien on Shares**

##### **Nature and scope of lien**

4.1 The Company has a first and paramount lien on all Shares (whether Fully Paid Up or not) registered in the name of a Member (whether solely or jointly with others). The lien is for all monies payable to the Company by the Member or the Member's estate:

(a) either alone or jointly with any other person, whether or not that other person is a Member; and

(b) whether or not those monies are presently payable.

4.2 At any time the Board may declare any Share to be wholly or partly exempt from the provisions of this Article.

**Company may sell Shares to satisfy lien**

4.3 The Company may sell any Shares over which it has a lien if all of the following conditions are met:

- (a) the sum in respect of which the lien exists is presently payable;
  - (b) the Company gives notice to the Member holding the Share (or to the person entitled to it in consequence of the death or bankruptcy of that Member) demanding payment and stating that if the notice is not complied with the Shares may be sold; and
  - (c) that sum is not paid within fourteen Clear Days after that notice is deemed to be given under these Articles,
- and Shares to which this Article 4.3 applies shall be referred to as Lien Default Shares.

4.4 The Lien Default Shares may be sold in such manner as the Board determines.

4.5 To the maximum extent permitted by law, the Directors shall incur no personal liability to the Member concerned in respect of the sale.

**Authority to execute instrument of transfer**

4.6 To give effect to a sale, the Directors may authorise any person to execute an instrument of transfer of the Lien Default Shares sold to, or in accordance with the directions of, the purchaser.

4.7 The title of the transferee of the Lien Default Shares shall not be affected by any irregularity or invalidity in the proceedings in respect of the sale.

**Consequences of sale of Shares to satisfy lien**

4.8 On a sale pursuant to the preceding Articles:

- (a) the name of the Member concerned shall be removed from the register of Members as the holder of those Lien Default Shares; and
- (b) that person shall deliver to the Company for cancellation the certificate (if any) for those Lien Default Shares.

4.9 Notwithstanding the provisions of Article 4.8, such person shall remain liable to the Company for all monies which, at the date of sale, were presently payable by him to the Company in respect of those Lien Default Shares. That person shall also be liable to pay interest on those monies from the date of sale until payment at the rate at which interest was payable before that sale or, failing that, at the Default Rate. The Board may waive payment wholly or in part or enforce payment without any allowance for the value of the Lien Default Shares at the time of sale or for any consideration received on their disposal.

#### **Application of proceeds of sale**

4.10 The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable. Any residue shall be paid to the person whose Lien Default Shares have been sold:

- (a) if no certificate for the Lien Default Shares was issued, at the date of the sale; or
- (b) if a certificate for the Lien Default Shares was issued, upon surrender to the Company of that certificate for cancellation

but, in either case, subject to the Company retaining a like lien for all sums not presently payable as existed on the Lien Default Shares before the sale.

#### **5 Calls on Shares and forfeiture**

##### **Power to make calls and effect of calls**

5.1 Subject to the terms of allotment, the Board may make calls on the Members in respect of any monies unpaid on their Shares including any premium. The call may provide for payment to be by instalments. Subject to receiving at least 14 Clear Days' notice specifying when and where payment is to be made, each Member shall pay to the Company the amount called on his Shares as required by the notice.

5.2 Before receipt by the Company of any sum due under a call, that call may be revoked in whole or in part and payment of a call may be postponed in whole or in part. Where a call is to be paid in instalments, the Company may revoke the call in respect of all or any remaining instalments in whole or in part and may postpone payment of all or any of the remaining instalments in whole or in part.

5.3 A Member on whom a call is made shall remain liable for that call notwithstanding the subsequent transfer of the Shares in respect of which the call was made. He shall not be liable for calls made after he is no longer registered as Member in respect of those Shares.

##### **Time when call made**

5.4 A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.

##### **Liability of joint holders**

5.5 Members registered as the joint holders of a Share shall be jointly and severally liable to pay all calls in respect of the Share.

**Interest on unpaid calls**

- 5.6 If a call remains unpaid after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid:
- (a) at the rate fixed by the terms of allotment of the Share or in the notice of the call; or
  - (b) if no rate is fixed, at the Default Rate.

The Directors may waive payment of the interest wholly or in part.

**Deemed calls**

- 5.7 Any amount payable in respect of a Share, whether on allotment or on a fixed date or otherwise, shall be deemed to be payable as a call. If the amount is not paid when due the provisions of these Articles shall apply as if the amount had become due and payable by virtue of a call.

**Power to accept early payment**

- 5.8 The Company may accept from a Member the whole or a part of the amount remaining unpaid on Shares held by him although no part of that amount has been called up.

**Power to make different arrangements at time of issue of Shares**

- 5.9 Subject to the terms of allotment, the Directors may make arrangements on the issue of Shares to distinguish between Members in the amounts and times of payment of calls on their Shares.

**Notice of default**

- 5.10 If a call remains unpaid after it has become due and payable the Directors may give to the person from whom it is due not less than 14 Clear Days' notice requiring payment of:
- (a) the amount unpaid;
  - (b) any interest which may have accrued;
  - (c) any expenses which have been incurred by the Company due to that person's default.
- 5.11 The notice shall state the following:
- (a) the place where payment is to be made; and
  - (b) a warning that if the notice is not complied with the Shares in respect of which the call is made will be liable to be forfeited.

### **Forfeiture or surrender of Shares**

- 5.12 If the notice given pursuant to Article 5.10 is not complied with, the Directors may, before the payment required by the notice has been received, resolve that any Share the subject of that notice be forfeited. The forfeiture shall include all dividends or other monies payable in respect of the forfeited Share and not paid before the forfeiture. Despite the foregoing, the Board may determine that any Share the subject of that notice be accepted by the Company as surrendered by the Member holding that Share in lieu of forfeiture.

### **Disposal of forfeited or surrendered Share and power to cancel forfeiture or surrender**

- 5.13 A forfeited or surrendered Share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Board determine either to the former Member who held that Share or to any other person. The forfeiture or surrender may be cancelled on such terms as the Directors think fit at any time before a sale, re-allotment or other disposition. Where, for the purposes of its disposal, a forfeited or surrendered Share is to be transferred to any person, the Directors may authorise some person to execute an instrument of transfer of the Share to the transferee.

### **Effect of forfeiture or surrender on former Member**

- 5.14 On forfeiture or surrender:
- (a) the name of the Member concerned shall be removed from the register of Members as the holder of those Shares and that person shall cease to be a Member in respect of those Shares; and
  - (b) that person shall surrender to the Company for cancellation the certificate (if any) for the forfeited or surrendered Shares.
- 5.15 Despite the forfeiture or surrender of his Shares, that person shall remain liable to the Company for all monies which at the date of forfeiture or surrender were presently payable by him to the Company in respect of those Shares together with:
- (a) all expenses; and
  - (b) interest from the date of forfeiture or surrender until payment:
    - (i) at the rate of which interest was payable on those monies before forfeiture; or
    - (ii) if no interest was so payable, at the Default Rate.

The Directors, however, may waive payment wholly or in part.

#### **Evidence of forfeiture or surrender**

5.16 A declaration, whether statutory or under oath, made by a Director or the Secretary shall be conclusive evidence of the following matters stated in it as against all persons claiming to be entitled to forfeited Shares:

- (a) that the person making the declaration is a Director or Secretary of the Company, and
- (b) that the particular Shares have been forfeited or surrendered on a particular date.

Subject to the execution of an instrument of transfer, if necessary, the declaration shall constitute good title to the Shares.

#### **Sale of forfeited or surrendered Shares**

5.17 Any person to whom the forfeited or surrendered Shares are disposed of shall not be bound to see to the application of the consideration, if any, of those Shares nor shall his title to the Shares be affected by any irregularity in, or invalidity of the proceedings in respect of, the forfeiture, surrender or disposal of those Shares.

#### **6 Transfer of Shares**

##### **Form of Transfer**

6.1 Subject to the following Articles about the transfer of Shares, and provided that such transfer complies with applicable rules of the Designated Stock Exchange, a Member may freely transfer Shares to another person by completing an instrument of transfer in a common form or in a form prescribed by the Designated Stock Exchange or in any other form approved by the directors, executed:

- (a) where the Shares are Fully Paid, by or on behalf of that Member; and
- (b) where the Shares are partly paid, by or on behalf of that Member and the transferee.

6.2 The transferor shall be deemed to remain the holder of a Share until the name of the transferee is entered into the Register of Members.

### **Power to refuse registration for Shares not listed on a Designated Stock Exchange**

- 6.3 Where the Shares in question are not listed on or subject to the rules of any Designated Stock Exchange, registration of any transfer of shares must be approved by the Board, and the Directors may in their absolute discretion decline to register any transfer of such Shares which are not Fully Paid Up or on which the Company has a lien. The Directors may also, but are not required to, decline to register any transfer of any such Share unless:
- (a) the instrument of transfer is lodged with the Company, accompanied by the certificate (if any) for the Shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
  - (b) the instrument of transfer is in respect of only one class of Shares;
  - (c) the instrument of transfer is properly stamped, if required;
  - (d) in the case of a transfer to joint holders, the number of joint holders to whom the Share is to be transferred does not exceed four;
  - (e) the Shares transferred are Fully Paid Up and free of any lien in favour of the Company; and
  - (f) any applicable fee of such maximum sum as the Designated Stock Exchanges may determine to be payable, or such lesser sum as the Board may from time to time require, related to the transfer is paid to the Company.

### **Suspension of transfers**

- 6.4 The registration of transfers may, on 14 days' notice being given by advertisement in such one or more newspapers or by electronic means, be suspended and the register of Members closed at such times and for such periods as the Directors may, in their absolute discretion, from time to time determine, provided always that such registration of transfer shall not be suspended nor the register of Members closed for more than 30 days in any year.

### **Company may retain instrument of transfer**

- 6.5 All instruments of transfer that are registered shall be retained by the Company.

### **Notice of refusal to register**

- 6.6 If the Directors refuse to register a transfer of any Shares not listed on a Designated Stock Exchange, they shall within three months after the date on which the instrument of transfer was lodged with the Company send to each of the transferor and the transferee notice of the refusal.

## **7 Transmission of Shares**

### **Persons entitled on death of a Member**

- 7.1 If a Member dies, the only persons recognised by the Company as having any title to the deceased Members' interest are the following:
- (a) where the deceased Member was a joint holder, the survivor or survivors; and
  - (b) where the deceased Member was a sole holder, that Member's personal representative or representatives.
- 7.2 Nothing in these Articles shall release the deceased Member's estate from any liability in respect of any Share, whether the deceased was a sole holder or a joint holder.

### **Registration of transfer of a Share following death or bankruptcy**

- 7.3 A person becoming entitled to a Share in consequence of the death or bankruptcy of a Member may elect to do either of the following:
- (a) to become the holder of the Share; or
  - (b) to transfer the Share to another person.
- 7.4 That person must produce such evidence of his entitlement as the Directors may properly require.
- 7.5 If the person elects to become the holder of the Share, he must give notice to the Company to that effect. For the purposes of these Articles, that notice shall be treated as though it were an executed instrument of transfer.
- 7.6 If the person elects to transfer the Share to another person then:
- (a) if the Share is Fully Paid Up, the transferor must execute an instrument of transfer; and
  - (b) if the Share is nil or Partly Paid Up, the transferor and the transferee must execute an instrument of transfer.
- 7.7 All the Articles relating to the transfer of Shares shall apply to the notice or, as appropriate, the instrument of transfer.

### **Indemnity**

- 7.8 A person registered as a Member by reason of the death or bankruptcy of another Member shall indemnify the Company and the Directors against any loss or damage suffered by the Company or the Directors as a result of that registration.

### **Rights of person entitled to a Share following death or bankruptcy**

- 7.9 A person becoming entitled to a Share by reason of the death or bankruptcy of a Member shall have the rights to which he would be entitled if he were registered as the holder of the Share. But, until he is registered as Member in respect of the Share, he shall not be entitled to attend or vote at any meeting of the Company or at any separate meeting of the holders of that class of Shares.

## **8 Alteration of capital**

### **Increasing, consolidating, converting, dividing and cancelling share capital**

- 8.1 To the fullest extent permitted by the Act, the Company may by Ordinary Resolution do any of the following and amend its Memorandum for that purpose:
- (a) increase its share capital by new Shares of the amount fixed by that Ordinary Resolution and with the attached rights, priorities and privileges set out in that Ordinary Resolution;
  - (b) consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares;
  - (c) convert all or any of its Paid Up Shares into stock, and reconvert that stock into Paid Up Shares of any denomination;
  - (d) sub-divide its Shares or any of them into Shares of an amount smaller than that fixed by the Memorandum, so, however, that in the sub-division, the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in case of the Share from which the reduced Share is derived; and
  - (e) cancel Shares which, at the date of the passing of that Ordinary Resolution, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the Shares so cancelled or, in the case of Shares without nominal par value, diminish the number of Shares into which its capital is divided.

### **Dealing with fractions resulting from consolidation of Shares**

- 8.2 Whenever, as a result of a consolidation of Shares, any Members would become entitled to fractions of a Share the Directors may on behalf of those Members deal with the fractions as it thinks fit, including (without limitation):
- (a) sell the Shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Act, the Company); and
  - (b) distribute the net proceeds in due proportion among those Members.
- 8.3 For the purposes of Article 8.2, the Directors may authorise some person to execute an instrument of transfer of the Shares to, in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall the transferee's title to the Shares be affected by any irregularity in, or invalidity of, the proceedings in respect of the sale.

### **Reducing share capital**

- 8.4 Subject to the Act and to any rights for the time being conferred on the Members holding a particular class of Shares, the Company may, by Special Resolution, reduce its share capital in any way.

## **9 Redemption and purchase of own Shares**

### **Power to issue redeemable Shares and to purchase own Shares**

- 9.1 Subject to the Act and to any rights for the time being conferred on the Members holding a particular class of Shares, the Company may by its Directors:
- (a) issue Shares that are to be redeemed or liable to be redeemed, at the option of the Company or the Member holding those redeemable Shares, on the terms and in the manner its Directors determine before the issue of those Shares;
  - (b) with the consent by Special Resolution of the Members holding Shares of a particular class, vary the rights attaching to that class of Shares so as to provide that those Shares are to be redeemed or are liable to be redeemed at the option of the Company on the terms and in the manner which the Directors determine at the time of such variation; and
  - (c) purchase all or any of its own Shares of any class including any redeemable Shares on the terms and in the manner which the Directors determine at the time of such purchase.

The Company may make a payment in respect of the redemption or purchase of its own Shares in any manner authorised by the Act, including out of any combination of the following: capital, its profits and the proceeds of a fresh issue of Shares.

### **Power to pay for redemption or purchase in cash or in specie**

- 9.2 When making a payment in respect of the redemption or purchase of Shares, the Directors may make the payment in cash or *in specie* (or partly in one and partly in the other) if so authorised by the terms of the allotment of those Shares or by the terms applying to those Shares in accordance with Article 9.1, or otherwise by agreement with the Member holding those Shares.

### **Effect of redemption or purchase of a Share**

- 9.3 Upon the date of redemption or purchase of a Share:
- (a) the Member holding that Share shall cease to be entitled to any rights in respect of the Share other than the right to receive:
    - (i) the price for the Share; and

- (ii) any dividend declared in respect of the Share prior to the date of redemption or purchase;
- (b) the Member's name shall be removed from the register of Members with respect to the Share; and
- (c) the Share shall be cancelled or held as a Treasury Share, as the Directors may determine.

9.4 For the purpose of Article 9.3, the date of redemption or purchase is the date when the Member's name is removed from the register of Members with respect to the Shares the subject of the redemption or purchase.

## **10 Meetings of Members**

### **Annual and extraordinary general meetings**

- 10.1 The Company may, but shall not (unless required by the applicable Designated Stock Exchange Rules) be obligated to, in each year hold a general meeting as an annual general meeting, which, if held, shall be convened by the Board, in accordance with these Articles.
- 10.2 All general meetings other than annual general meetings shall be called extraordinary general meetings.

### **Power to call meetings**

- 10.3 The Directors may call a general meeting at any time.
- 10.4 If there are insufficient Directors to constitute a quorum and the remaining Directors are unable to agree on the appointment of additional Directors, the Directors must call a general meeting for the purpose of appointing additional Directors.
- 10.5 The Directors must also call a general meeting if requisitioned in the manner set out in the next two Articles.
- 10.6 The requisition must be in writing and given by one or more Members who together hold at least ten (10) per cent of the rights to vote at such general meeting.
- 10.7 The requisition must also:
  - (a) specify the purpose of the meeting.
  - (b) be signed by or on behalf of each requisitioner (and for this purpose each joint holder shall be obliged to sign). The requisition may consist of several documents in like form signed by one or more of the requisitioners; and
  - (c) be delivered in accordance with the notice provisions.

- 10.8 Should the Directors fail to call a general meeting within 21 Clear Days' from the date of receipt of a requisition, the requisitioners or any of them may call a general meeting within three months after the end of that period.
- 10.9 Without limitation to the foregoing, if there are insufficient Directors to constitute a quorum and the remaining Directors are unable to agree on the appointment of additional Directors, any one or more Members who together hold at least five per cent of the rights to vote at a general meeting may call a general meeting for the purpose of considering the business specified in the notice of meeting which shall include as an item of business the appointment of additional Directors.
- 10.10 If the Members call a meeting under the above provisions, the Company shall reimburse their reasonable expenses.

**Content of notice**

- 10.11 Notice of a general meeting shall specify each of the following:
- (a) the place, the date and the hour of the meeting;
  - (b) whether the meeting will be held virtually, at a physical place or both;
  - (c) if the meeting is to be held in two or more places (including in any part virtually), the Electronic Communication Facilities that will be used to facilitate the meeting;
  - (d) subject to paragraph (e) and (to the extent applicable) the requirements of the Designated Stock Exchange Rules, the general nature of the business to be transacted; and
  - (e) if a resolution is proposed as a Special Resolution, the text of that resolution.
- 10.12 In each notice there shall appear with reasonable prominence the following statements:
- (a) that a Member who is entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of that Member; and
  - (b) that a proxyholder need not be a Member.

**Period of notice**

- 10.13 At least ten (10) Clear Days' notice of a general meeting must be given to Members.
- 10.14 Subject to the Act, a meeting may be convened on shorter notice, subject to the Act with the consent of the Member or Members who, individually or collectively, hold at least ninety per cent of the voting rights of all those who have a right to vote at that meeting.

### **Persons entitled to receive notice**

10.15 Subject to the provisions of these Articles and to any restrictions imposed on any Shares, the notice shall be given to the following people:

- (a) the Members;
- (b) persons entitled to a Share in consequence of the death or bankruptcy of a Member;
- (c) the Directors; and
- (d) the Auditors (if appointed).

10.16 The Board may determine that the Members entitled to receive notice of a meeting are those persons entered on the register of Members at the close of business on a day determined by the Board.

### **Accidental omission to give notice or non-receipt of notice**

10.17 Proceedings at a meeting shall not be invalidated by the following:

- (a) an accidental failure to give notice of the meeting to any person entitled to notice; or
- (b) non-receipt of notice of the meeting by any person entitled to notice.

10.18 In addition, where a notice of meeting is published on a website proceedings at the meeting shall not be invalidated merely because it is accidentally published:

- (a) in a different place on the website; or
- (b) for part only of the period from the date of the notification until the conclusion of the meeting to which the notice relates.

## **11 Proceedings at meetings of Members**

### **Quorum**

11.1 Save as provided in the following Article, no business shall be transacted at any meeting unless a quorum is present in person or by proxy. A quorum is as follows:

- (a) if the Company has only one Member: that Member;
- (b) if the Company has more than one Member:
  - (i) subject to Article 11.1(b)(ii) below, one or more Members holding Class B Shares carrying the right to vote at such general meeting; or
  - (ii) for so long as any Shares are listed on a Designated Stock Exchange, one or more Members holding Shares that represent not less than one-third of the outstanding Shares carrying the right to vote at such general meeting.

**Lack of quorum**

- 11.2 If a quorum is not present within fifteen minutes of the time appointed for the meeting, or if at any time during the meeting it becomes inquorate, then the following provisions apply:
- (a) If the meeting was requisitioned by Members, it shall be cancelled.
  - (b) In any other case, the meeting shall stand adjourned to the same time and place seven days hence, or to such other time or place as is determined by the Directors. If a quorum is not present within fifteen minutes of the time appointed for the adjourned meeting, then the Members present in person or by proxy shall constitute a quorum.

**Chairman**

- 11.3 The chairman of a general meeting (including any Virtual Meeting) shall be the chairman of the Board or such other Director as the Directors have nominated to chair Board meetings in the absence of the chairman of the Board. Absent any such person being present within fifteen minutes of the time appointed for the meeting, the Directors present shall elect one of their number to chair the meeting. The chairman of the meeting shall be entitled to attend and participate at any such general meeting by means of Electronic Communication Facilities, and to act as the chairman of such general meeting, in which event the chairman of the meeting shall be deemed to be present at the meeting.
- 11.4 If no Director is present within fifteen minutes of the time appointed for the meeting, or if no Director is willing to act as chairman, the Members present in person or by proxy and entitled to vote shall choose one of their number to chair the meeting.

**Right of a Director to attend and speak**

- 11.5 Even if a Director is not a Member, he shall be entitled to attend and speak at any general meeting and at any separate meeting of Members holding a particular class of Shares.

**Accommodation of Members at Virtual Meeting**

- 11.6 A Member entitled to receive notice and attend a meeting will be deemed to be in attendance at such meeting despite their attendance being virtual if adequate facilities are available to ensure that the Member is able to:
- (a) to participate in the business for which the meeting has been convened; and
  - (b) to hear all that happens at the meeting (whether by use of microphones, audio visual communications equipment or otherwise); and
  - (c) to be heard by all persons present in the same way.

Without limiting the generality of the foregoing, the Directors may determine that any general meeting may be held as a Virtual Meeting.

## **Security**

- 11.7 In addition to any measures which the Board may be required to take due to the location or venue of the meeting, the Board may make any arrangement and impose any restriction it considers appropriate and reasonable in the circumstances to ensure the security of a meeting including, without limitation, the searching of any person attending the meeting and the imposing of restrictions on the items of personal property that may be taken into the meeting place. The Board may refuse entry to, or eject from, a meeting a person who refuses to comply with any such arrangements or restrictions.

## **Adjournment, postponement and cancellation**

- 11.8 A meeting may be:

- (a) postponed or cancelled prior to the meeting at the discretion of the Directors by written notice provided to all persons entitled to attend the meeting, unless the meeting was requisitioned by Member(s) or otherwise called by Member(s) pursuant to Article 10; or
- (b) adjourned, with or without an appointed date for resumption, at any time during the meeting at the discretion of the chairman with the consent of the Member(s) constituting a quorum.

The chairman must adjourn the meeting if so directed by the Member(s) constituting a quorum at the meeting. No business, however, can be transacted at an adjourned or postponed meeting other than business which might properly have been transacted at the original meeting.

- 11.9 Should a meeting be adjourned for more than seven (7) Clear Days, whether because of a lack of quorum or otherwise, Members shall be given at least seven (7) Clear Days' notice of the date, time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any notice of the adjournment.

## **Method of voting**

- 11.10 A resolution put to the vote of the meeting shall be decided on a poll.

## **Taking of a poll**

- 11.11 A poll shall be taken in such manner as the chairman directs. He may appoint scrutineers (who need not be Members) and fix a place and time for declaring the result of the poll. If, through the aid of technology, the meeting is held as a Virtual Meeting or in more than one place, the chairman may appoint scrutineers virtually and in more than one place; but if he considers that the poll cannot be effectively monitored at that meeting, the chairman shall adjourn the holding of the poll to a date, place and time when that can occur.

### **Chairman's casting vote**

11.12 In the case of an equality of votes, the Chairman of the meeting shall be entitled to a second or casting vote.

### **Written resolutions**

11.13 Without limitation to section 60(1) of the Act, Members may pass a Special Resolution in writing without holding a meeting if the following conditions are met:

- (a) all Members entitled to vote on the resolution are given notice of the resolution as if the same were being proposed at a meeting of Members;
- (b) all Members entitled so to vote:
  - (i) sign a document; or
  - (ii) sign several documents in the like form each signed by one or more of those Members; and
- (c) the signed document or documents is or are delivered to the Company, including, if the Company so nominates, by delivery of an Electronic Record by Electronic means to the address specified for that purpose.

Such written resolution, which shall be as effective as if it had been passed at a meeting of the Members entitled to vote duly convened and held, is passed when all such Members have so signified their agreement to the resolution.

11.14 Members may pass an Ordinary Resolution in writing without holding a meeting if the following conditions are met:

- (a) all Members entitled to vote on the resolution are:
  - (i) given notice of the resolution as if the same were being proposed at a meeting of Members; and
  - (ii) notified in the same or an accompanying notice of the date by which the resolution must be passed if it is not to lapse, being a period of seven (7) days beginning with the date that the notice is first given;

- (b) the required majority of the Members entitled so to vote:
  - (i) sign a document; or
  - (ii) sign several documents in the like form each signed by one or more of those Members; and
- (c) the signed document or documents is or are delivered to the Company, including, if the Company so nominates, by delivery of an Electronic Record by Electronic means to the address specified for that purpose.

Such written resolution, which shall be as effective as if it had been passed at a meeting of the Members entitled to vote duly convened and held, is passed upon the later of these dates: (i) subject to the following Article, the date next immediately following the end of the period of three (3) days beginning with the date that notice of the resolution is first given and (ii) the date when the required majority have so signified their agreement to the resolution. However, the proposed written resolution lapses if it is not passed before the end of the period of seven (7) days beginning with the date that notice of it is first given.

- 11.15 If all Members entitled to be given notice of the Ordinary Resolution consent, a written resolution may be passed as soon as the required majority have signified their agreement to the resolution, without any minimum period of time having first elapsed. Save that the consent of the majority may be incorporated in the written resolution, each consent shall be in writing or given by Electronic Record and shall otherwise be given to the Company in accordance with Article 28 (*Notices*) prior to the written resolution taking effect.
- 11.16 The Directors may determine the manner in which written resolutions shall be put to Members. In particular, they may provide, in the form of any written resolution, for each Member to indicate, out of the number of votes the Member would have been entitled to cast at a meeting to consider the resolution, how many votes he wishes to cast in favour of the resolution and how many against the resolution or to be treated as abstentions. The result of any such written resolution shall be determined on the same basis as on a poll.
- 11.17 If a written resolution is described as a Special Resolution or as an Ordinary Resolution, it has effect accordingly.

#### **Sole-Member Company**

- 11.18 If the Company has only one Member, and the Member records in writing his decision on a question, that record shall constitute both the passing of a resolution and the minute of it.

## **12 Voting rights of Members**

### **Right to vote**

- 12.1 Unless their Shares carry no right to vote, or unless a call or other amount presently payable has not been paid, all Members are entitled to vote at a general meeting, whether on a show of hands or on a poll, and all Members holding Shares of a particular class of Shares are entitled to vote at a meeting of the holders of that class of Shares. Each Class A Share shall be entitled to one (1) vote on all matters subject to vote at general meetings of the Company, and each Class B Share shall be entitled to twenty (20) votes on all matters subject to vote at general meetings of the Company. Unless otherwise required under the Act or by these Articles, holders of Class A Shares and Class B Shares shall at all times vote together as one class on all resolutions submitted to a vote by the Members.

- 12.2 Members may vote in person or by proxy.
- 12.3 On a poll, each Class A Share shall be entitled to one (1) vote on all matters subject to vote at general meetings of the Company, and each Class B Share shall be entitled to twenty (20) votes on all matters subject to vote at general meetings of the Company. A fraction of a Class A Share shall entitle its holder to an equivalent fraction of one (1) vote, and a fraction of a Class B Share shall entitle its holder to an equivalent fraction of twenty (20) votes.
- 12.4 No Member is bound to vote on his Shares or any of them; nor is he bound to vote each of his Shares in the same way.

**Rights of joint holders**

- 12.5 If Shares are held jointly, only one of the joint holders may vote. If more than one of the joint holders tenders a vote, the vote of the holder whose name in respect of those Shares appears first in the register of Members shall be accepted to the exclusion of the votes of the other joint holder.

**Representation of corporate Members**

- 12.6 Save where otherwise provided, a corporate Member must act by a duly authorised representative.
- 12.7 A corporate Member wishing to act by a duly authorised representative must identify that person to the Company by notice in writing.
- 12.8 The authorisation may be for any period of time, and must be delivered to the Company before the commencement of the meeting at which it is first used.
- 12.9 The Directors of the Company may require the production of any evidence which they consider necessary to determine the validity of the notice.
- 12.10 Where a duly authorised representative is present at a meeting that Member is deemed to be present in person; and the acts of the duly authorised representative are personal acts of that Member.
- 12.11 A corporate Member may revoke the appointment of a duly authorised representative at any time by notice to the Company; but such revocation will not affect the validity of any acts carried out by the duly authorised representative before the Directors of the Company had actual notice of the revocation.

**Member with mental disorder**

- 12.12 A Member in respect of whom an order has been made by any court having jurisdiction (whether in the Cayman Islands or elsewhere) in matters concerning mental disorder may vote by that Member's receiver, *curator bonis* or other person authorised in that behalf appointed by that court.
- 12.13 For the purpose of the preceding Article, evidence to the satisfaction of the Directors of the authority of the person claiming to exercise the right to vote must be received not less than 24 hours before holding the relevant meeting or the adjourned meeting in any manner specified for the delivery of forms of appointment of a proxy, whether in writing or by Electronic means. In default, the right to vote shall not be exercisable.

**Objections to admissibility of votes**

- 12.14 An objection to the validity of a person's vote may only be raised at the meeting or at the adjourned meeting at which the vote is sought to be tendered. Any objection duly made shall be referred to the chairman whose decision shall be final and conclusive.

**Form of proxy**

- 12.15 An instrument appointing a proxy shall be in any common form or in any other form approved by the Directors.
- 12.16 The instrument must be in writing and signed in one of the following ways:
- (a) by the Member; or
  - (b) by the Member's authorised attorney; or
  - (c) if the Member is a corporation or other body corporate, under seal or signed by an authorised officer, secretary or attorney.

If the Directors so resolve, the Company may accept an Electronic Record of that instrument delivered in the manner specified below and otherwise satisfying the Articles about authentication of Electronic Records.

- 12.17 The Directors may require the production of any evidence which they consider necessary to determine the validity of any appointment of a proxy.
- 12.18 A Member may revoke the appointment of a proxy at any time by notice to the Company duly signed in accordance with Article 12.16.
- 12.19 No revocation by a Member of the appointment of a proxy made in accordance with Article 12.18 will affect the validity of any acts carried out by the relevant proxy before the Directors of the Company had actual notice of the revocation.

## How and when proxy is to be delivered

- 12.20 Subject to the following Articles, the Directors may, in the notice convening any meeting or adjourned meeting, or in an instrument of proxy sent out by the Company, specify the manner by which the instrument appointing a proxy shall be deposited and the place and the time (being not later than the time appointed for the commencement of the meeting or adjourned meeting to which the proxy relates) at which the instrument appointing a proxy shall be deposited. In the absence of any such direction from the Directors in the notice convening any meeting or adjourned meeting or in an instrument of proxy sent out by the Company, the form of appointment of a proxy and any authority under which it is signed (or a copy of the authority certified notorially or in any other way approved by the Directors) must be delivered so that it is received by the Company before the time for holding the meeting or adjourned meeting at which the person named in the form of appointment of proxy proposes to vote. They must be delivered in either of the following ways:
- (a) In the case of an instrument in writing, it must be left at or sent by post:
    - (i) to the registered office of the Company; or
    - (ii) to such other place specified in the notice convening the meeting or in any form of appointment of proxy sent out by the Company in relation to the meeting.
  - (b) If, pursuant to the notice provisions, a notice may be given to the Company in an Electronic Record, an Electronic Record of an appointment of a proxy must be sent to the address specified pursuant to those provisions unless another address for that purpose is specified:
    - (i) in the notice convening the meeting; or
    - (ii) in any form of appointment of a proxy sent out by the Company in relation to the meeting; or
    - (iii) in any invitation to appoint a proxy issued by the Company in relation to the meeting.
  - (c) Notwithstanding Article 12.20(a) and Article 12.20(b), the chairman of the Company may, in any event at his discretion, direct that an instrument of proxy shall be deemed to have been duly deposited.
- 12.21 If the form of appointment of proxy is not delivered on time, it is invalid.
- 12.22 When two or more valid but differing appointments of proxy are delivered or received in respect of the same Share for use at the same meeting and in respect of the same matter, the one which is last validly delivered or received (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the other or others as regards that Share. If the Company is unable to determine which appointment was last validly delivered or received, none of them shall be treated as valid in respect of that Share.

- 12.23 The Board may at the expense of the Company send forms of appointment of proxy to the Members by post (that is to say, pre-paying and posting a letter), or by Electronic communication or otherwise (with or without provision for their return by pre-paid post) for use at any general meeting or at any separate meeting of the holders of any class of Shares, either blank or nominating as proxy in the alternative any one or more of the Directors or any other person. If for the purpose of any meeting invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the Company's expense, they shall be issued to all (and not to some only) of the Members entitled to be sent notice of the meeting and to vote at it. The accidental omission to send such a form of appointment or to give such an invitation to, or the non-receipt of such form of appointment by, any Member entitled to attend and vote at a meeting shall not invalidate the proceedings at that meeting

#### **Voting by proxy**

- 12.24 A proxy shall have the same voting rights at a meeting or adjourned meeting as the Member would have had except to the extent that the instrument appointing him limits those rights. Notwithstanding the appointment of a proxy, a Member may attend and vote at a meeting or adjourned meeting. If a Member votes on any resolution a vote by his proxy on the same resolution, unless in respect of different Shares, shall be invalid.
- 12.25 The instrument appointing a proxy to vote at a meeting shall not confer any further right to speak at the meeting, except with the permission of the chairman of the meeting.

#### **13 Number of Directors**

- 13.1 There shall be a Board consisting of not less than one person provided however that the Company may by Ordinary Resolution increase or reduce the limits in the number of Directors. Unless fixed by Ordinary Resolution, the maximum number of Directors shall be unlimited.

#### **14 Appointment, disqualification and removal of Directors**

##### **First Directors**

- 14.1 The first Directors shall be appointed in writing by the subscriber or subscribers to the Memorandum, or a majority of them.

##### **No age limit**

- 14.2 There is no age limit for Directors save that they must be at least eighteen years of age.

### **Corporate Directors**

- 14.3 Unless prohibited by law, a body corporate may be a Director. If a body corporate is a Director, the Articles about representation of corporate Members at general meetings apply, mutatis mutandis, to the Articles about Directors' meetings.

### **No shareholding qualification**

- 14.4 Unless a shareholding qualification for Directors is fixed by Ordinary Resolution, no Director shall be required to own Shares as a condition of his appointment.

### **Appointment of Directors**

- 14.5 A Director may be appointed by Ordinary Resolution or by the Directors. Any appointment may be to fill a vacancy or as an additional Director.
- 14.6 A remaining Director may appoint a Director even though there is not a quorum of Directors.
- 14.7 No appointment can cause the number of Directors to exceed the maximum (if one is set); and any such appointment shall be invalid.
- 14.8 For so long as any class of the Shares are listed on a Designated Stock Exchange, the Directors shall include at least such number of Independent Directors as applicable law, rules or regulations or the Designated Stock Exchange Rules require as determined by the Board.

### **Board's power to appoint Directors**

- 14.9 Without prejudice to the Company's power to appoint a person to be a Director pursuant to these Articles, the Board shall have power at any time to appoint any person who is willing to act as a Director, either to fill a vacancy or as an addition to the existing Board, subject to the total number of Directors not exceeding any maximum number fixed by or in accordance with these Articles.
- 14.10 An appointment of a Director may be on terms that the Director shall automatically retire from office (unless he has sooner vacated office) at the next or a subsequent annual general meeting or upon any specified event or after any specified period in a written agreement between the Company and the Director, if any; but no such term shall be implied in the absence of express provision. Each Director whose term of office expires shall be eligible for re-election at a meeting of the Members or re-appointment by the Board.

### **Removal of Directors**

- 14.11 A Director may be removed by Ordinary Resolution.

### **Resignation of Directors**

- 14.12 A Director may at any time resign office by giving to the Company notice in writing or, if permitted pursuant to the notice provisions, in an Electronic Record delivered in either case in accordance with those provisions.
- 14.13 Unless the notice specifies a different date, the Director shall be deemed to have resigned on the date that the notice is delivered to the Company.

### **Termination of the office of Director**

- 14.14 A Director may retire from office as a Director by giving notice in writing to that effect to the Company at the registered office, which notice shall be effective upon such date as may be specified in the notice, failing which upon delivery to the registered office.
- 14.15 Without prejudice to the provisions in these Articles for retirement (by rotation or otherwise), a Director's office shall be terminated forthwith if:
- (a) he is prohibited by the law of the Cayman Islands from acting as a Director; or
  - (b) he is made bankrupt or makes an arrangement or composition with his creditors generally; or
  - (c) he resigns his office by notice to the Company; or
  - (d) he only held office as a Director for a fixed term and such term expires; or
  - (e) in the opinion of a registered medical practitioner by whom he is being treated he becomes physically or mentally incapable of acting as a Director;  
or
  - (f) he is given notice by the majority of the other Directors (not being less than two in number) to vacate office (without prejudice to any claim for damages for breach of any agreement relating to the provision of the services of such Director); or
  - (g) he is made subject to any law relating to mental health or incompetence, whether by court order or otherwise; or
  - (h) without the consent of the other Directors, he is absent from meetings of Directors for a continuous period of six months.

## **15 Alternate Directors**

### **Appointment and removal**

- 15.1 Any Director may appoint any other person, including another Director, to act in his place as an alternate Director. No appointment shall take effect until the Director has given notice of the appointment to the Board.

- 15.2 A Director may revoke his appointment of an alternate at any time. No revocation shall take effect until the Director has given notice of the revocation to the Board.
- 15.3 A notice of appointment or removal of an alternate Director shall be effective only if given to the Company by one or more of the following methods:
- (a) by notice in writing in accordance with the notice provisions contained in these Articles;
  - (b) if the Company has a facsimile address for the time being, by sending by facsimile transmission to that facsimile address a facsimile copy or, otherwise, by sending by facsimile transmission to the facsimile address of the Company's registered office a facsimile copy (in either case, the facsimile copy being deemed to be the notice unless Article 29.7 applies), in which event notice shall be taken to be given on the date of an error-free transmission report from the sender's fax machine;
  - (c) if the Company has an email address for the time being, by emailing to that email address a scanned copy of the notice as a PDF attachment or, otherwise, by emailing to the email address provided by the Company's registered office a scanned copy of the notice as a PDF attachment (in either case, the PDF version being deemed to be the notice unless Article 29.7 applies), in which event notice shall be taken to be given on the date of receipt by the Company or the Company's registered office (as appropriate) in readable form; or
  - (d) if permitted pursuant to the notice provisions, in some other form of approved Electronic Record delivered in accordance with those provisions in writing.

#### **Notices**

- 15.4 All notices of meetings of Directors shall continue to be given to the appointing Director and not to the alternate.

#### **Rights of alternate Director**

- 15.5 An alternate Director shall be entitled to attend and vote at any Board meeting or meeting of a committee of the Directors at which the appointing Director is not personally present, and generally to perform all the functions of the appointing Director in his absence. An alternate Director, however, is not entitled to receive any remuneration from the Company for services rendered as an alternate Director.

### **Appointment ceases when the appointor ceases to be a Director**

15.6 An alternate Director shall cease to be an alternate Director if:

- (a) the Director who appointed him ceases to be a Director; or
- (b) the Director who appointed him revokes his appointment by notice delivered to the Board or to the registered office of the Company or in any other manner approved by the Board; or
- (c) in any event happens in relation to him which, if he were a Director of the Company, would cause his office as Director to be vacated.

### **Status of alternate Director**

15.7 An alternate Director shall carry out all functions of the Director who made the appointment.

15.8 Save where otherwise expressed, an alternate Director shall be treated as a Director under these Articles.

15.9 An alternate Director is not the agent of the Director appointing him.

15.10 An alternate Director is not entitled to any remuneration for acting as alternate Director.

### **Status of the Director making the appointment**

15.11 A Director who has appointed an alternate is not thereby relieved from the duties which he owes the Company.

## **16 Powers of Directors**

### **Powers of Directors**

16.1 Subject to the provisions of the Act, the Memorandum and these Articles the business of the Company shall be managed by the Directors who may for that purpose exercise all the powers of the Company.

16.2 No prior act of the Directors shall be invalidated by any subsequent alteration of the Memorandum or these Articles. However, to the extent allowed by the Act, Members may, by Special Resolution, validate any prior or future act of the Directors which would otherwise be in breach of their duties.

### **Directors below the minimum number**

16.3 If the number of Directors is less than the minimum prescribed in accordance with these Articles, the remaining Director or Directors shall act only for the purposes of appointing an additional Director or Directors to make up such minimum or of convening a general meeting of the Company for the purpose of making such appointment. If there are no Director or Directors able or willing to act, any two Members may summon a general meeting for the purpose of appointing Directors. Any additional Director so appointed shall hold office (subject to these Articles) only until the dissolution of the annual general meeting next following such appointment unless he is re-elected during such meeting.

### **Appointments to office**

- 16.4 The Directors may appoint a Director:
- (a) as chairman of the Board;
  - (b) as managing Director;
  - (c) to any other executive office,
- for such period, and on such terms, including as to remuneration as they think fit.
- 16.5 The appointee must consent in writing to holding that office.
- 16.6 Where a chairman is appointed he shall, unless unable to do so, preside at every meeting of Directors.
- 16.7 If there is no chairman, or if the chairman is unable to preside at a meeting, that meeting may select its own chairman; or the Directors may nominate one of their number to act in place of the chairman should he ever not be available.
- 16.8 Subject to the provisions of the Act, the Directors may also appoint and remove any person, who need not be a Director:
- (a) as Secretary; and
  - (b) to any office that may be required
- for such period and on such terms, including as to remuneration, as they think fit. In the case of an Officer, that Officer may be given any title the Directors decide.
- 16.9 The Secretary or Officer must consent in writing to holding that office.
- 16.10 A Director, Secretary or other Officer of the Company may not hold the office, or perform the services, of auditor.

### **Provisions for employees**

- 16.11 The Board may make provision for the benefit of any persons employed or formerly employed by the Company or any of its subsidiary undertakings (or any member of his family or any person who is dependent on him) in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or any of its subsidiary undertakings.

### **Exercise of voting rights**

- 16.12 The Board may exercise the voting power conferred by the shares in any body corporate held or owned by the Company in such manner in all respects as it thinks fit (including, without limitation, the exercise of that power in favour of any resolution appointing any Director as a Director of such body corporate, or voting or providing for the payment of remuneration to the Directors of such body corporate).

## **Remuneration**

- 16.13 Every Director may be remunerated by the Company for the services he provides for the benefit of the Company, whether as Director, employee or otherwise, and shall be entitled to be paid for the expenses incurred in the Company's business including attendance at Directors' meetings.
- 16.14 Until otherwise determined by the Company by Ordinary Resolution, the Directors (other than alternate Directors) shall be entitled to such remuneration by way of fees for their services in the office of Director as the Directors may determine.
- 16.15 Remuneration may take any form and may include arrangements to pay pensions, health insurance, death or sickness benefits, whether to the Director or to any other person connected to or related to him.
- 16.16 Unless his fellow Directors determine otherwise, a Director is not accountable to the Company for remuneration or other benefits received from any other company which is in the same group as the Company or which has common shareholdings.

## **Disclosure of information**

- 16.17 The Directors may release or disclose to a third party any information regarding the affairs of the Company, including any information contained in the register of Members relating to a Member, (and they may authorise any Director, Officer or other authorised agent of the Company to release or disclose to a third party any such information in his possession) if:
- (a) the Company or that person, as the case may be, is lawfully required to do so under the laws of any jurisdiction to which the Company is subject; or
  - (b) such disclosure is in compliance with the Designated Stock Exchange Rules (to the extent applicable); or
  - (c) such disclosure is in accordance with any contract entered into by the Company; or
  - (d) the Directors are of the opinion such disclosure would assist or facilitate the Company's operations.

## **17 Delegation of powers**

### **Power to delegate any of the Directors' powers to a committee**

- 17.1 The Directors may delegate any of their powers to any committee consisting of one or more persons who need not be Members. Persons on the committee may include non-Directors so long as the majority of those persons are Directors. For so long as any class of the Shares are listed on a Designated Stock Exchange, any such committee shall be made up of such number of Independent Directors as required from time to time by the Designated Stock Exchange Rules or otherwise required by applicable law.

- 17.2 The delegation may be collateral with, or to the exclusion of, the Directors' own powers.
- 17.3 The delegation may be on such terms as the Directors think fit, including provision for the committee itself to delegate to a sub-committee; save that any delegation must be capable of being revoked or altered by the Directors at will.
- 17.4 Unless otherwise permitted by the Directors, a committee must follow the procedures prescribed for the taking of decisions by Directors.
- 17.5 For so long as any class of the Shares are listed on a Designated Stock Exchange, the Board shall, if required by the Designated Stock Exchange Rules, establish an audit committee, a compensation committee and a nominating and corporate governance committee. Each of these committees shall be empowered to do all things necessary to exercise the rights of such committee set forth in these Articles. Each of the audit committee, compensation committee and nominating and corporate governance committee (if so established) shall consist of at least such number of Directors as may be required from time to time by the Designated Stock Exchange Rules. The majority of the committee members on each of the compensation committee and nominating and corporate governance committee shall be Independent Directors. The audit committee (if so established) shall be made up of such number of Independent Directors as required from time to time by the Designated Stock Exchange Rules or otherwise required by applicable law, subject to any exemptions permitted under the Designated Stock Exchange Rules and other applicable laws.

**Local boards**

- 17.6 The Board may establish any local or divisional board or agency for managing any of the affairs of the Company whether in the Cayman Islands or elsewhere and may appoint any persons to be members of a local or divisional Board, or to be managers or agents, and may fix their remuneration.
- 17.7 The Board may delegate to any local or divisional board, manager or agent any of its powers and authorities (with power to sub-delegate) and may authorise the members of any local or divisional board or any of them to fill any vacancies and to act notwithstanding vacancies.
- 17.8 Any appointment or delegation under this Article 17.8 may be made on such terms and subject to such conditions as the Board thinks fit and the Board may remove any person so appointed, and may revoke or vary any delegation.

**Power to appoint an agent of the Company**

- 17.9 The Directors may appoint any person, either generally or in respect of any specific matter, to be the agent of the Company with or without authority for that person to delegate all or any of that person's powers. The Directors may make that appointment:
- (a) by causing the Company to enter into a power of attorney or agreement; or
  - (b) in any other manner they determine.

**Power to appoint an attorney or authorised signatory of the Company**

- 17.10 The Directors may appoint any person, whether nominated directly or indirectly by the Directors, to be the attorney or the authorised signatory of the Company. The appointment may be:
- (a) for any purpose;
  - (b) with the powers, authorities and discretions;
  - (c) for the period; and
  - (d) subject to such conditions
- as they think fit. The powers, authorities and discretions, however, must not exceed those vested in, or exercisable, by the Directors under these Articles. The Directors may do so by power of attorney or any other manner they think fit.

- 17.11 Any power of attorney or other appointment may contain such provision for the protection and convenience for persons dealing with the attorney or authorised signatory as the Directors think fit. Any power of attorney or other appointment may also authorise the attorney or authorised signatory to delegate all or any of the powers, authorities and discretions vested in that person.

- 17.12 The Board may remove any person appointed under Article 17.10 and may revoke or vary the delegation.

**Borrowing Powers**

- 17.13 The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets both present and future and uncalled capital, or any part thereof, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or its parent undertaking (if any) or any subsidiary undertaking of the Company or of any third party.

## **Corporate Governance**

17.14 The Board may, from time to time, and except as required by applicable law or (to the extent applicable) the Designated Stock Exchange Rules, adopt, institute, amend, modify or revoke the corporate governance policies or initiatives of the Company, which shall be intended to set forth the guiding principles and policies of the Company and the Board on various corporate governance related matters as the Board shall determine by resolution from time to time.

## **18 Meetings of Directors**

### **Regulation of Directors' meetings**

18.1 Subject to the provisions of these Articles, the Directors may regulate their proceedings as they think fit.

### **Calling meetings**

18.2 Any Director may call a meeting of Directors at any time. The Secretary must call a meeting of the Directors if requested to do so by a Director.

### **Notice of meetings**

18.3 Notice of a Board meeting may be given to a Director personally or by word of mouth or given in writing or by Electronic communications at such address as he may from time to time specify for this purpose (or, if he does not specify an address, at his last known address). A Director may waive his right to receive notice of any meeting either prospectively or retrospectively.

### **Use of technology**

18.4 A Director may participate in a meeting of Directors through the medium of conference telephone, video or any other form of communications equipment providing all persons participating in the meeting are able to hear and speak to each other throughout the meeting.

18.5 A Director participating in this way is deemed to be present in person at the meeting.

### **Quorum**

18.6 The quorum for the transaction of business at a meeting of Directors shall be two (except that if the Board is comprised of a single Director only, then the quorum shall be one) unless the Directors fix some other number.

### **Chairman or deputy to preside**

18.7 The Board may appoint a chairman and one or more deputy chairman or chairmen and may at any time revoke any such appointment.

18.8 The chairman, or failing him any deputy chairman (the longest in office taking precedence if more than one is present), shall preside at all Board meetings. If no chairman or deputy chairman has been appointed, or if he is not present within five minutes after the time fixed for holding the meeting, or is unwilling to act as chairman of the meeting, the Directors present shall choose one of their number to act as chairman of the meeting.

#### **Voting**

18.9 A question which arises at a Board meeting shall be decided by a majority of votes. If votes are equal the chairman may, if he wishes, exercise a casting vote.

#### **Recording of dissent**

18.10 A Director present at a meeting of Directors shall be presumed to have assented to any action taken at that meeting unless:

- (a) his dissent is entered in the minutes of the meeting; or
- (b) he has filed with the meeting before it is concluded signed dissent from that action; or
- (c) he has forwarded to the Company as soon as practical following the conclusion of that meeting signed dissent.

A Director who votes in favour of an action is not entitled to record his dissent to it.

#### **Written resolutions**

18.11 The Directors may pass a resolution in writing without holding a meeting if all Directors sign a document or sign several documents in the like form each signed by one or more of those Directors.

18.12 A written resolution signed by a validly appointed alternate Director need not also be signed by the appointing Director.

18.13 A written resolution signed personally by the appointing Director need not also be signed by his alternate.

18.14 A resolution in writing passed pursuant to Article 18.11, Article 18.12 and/or Article 18.13 shall be as effective as if it had been passed at a meeting of the Directors duly convened and held; and it shall be treated as having been passed on the day and at the time that the last Director signs (and for the avoidance of doubt, such day may or may not be a Business Day).

#### **Validity of acts of Directors in spite of formal defect**

18.15 All acts done by a meeting of the Board, or of a committee of the Board, or by any person acting as a Director or an alternate Director, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any Director or alternate Director or member of the committee, or that any of them were disqualified or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed and qualified and had continued to be a Director or alternate Director and had been entitled to vote.

**19 Permissible Directors' interests and disclosure**

- 19.1 Subject to Article 19.4, a Director may vote at a meeting of Directors on any resolution concerning a matter in which that Director has an interest or duty, whether directly or indirectly, so long as that Director discloses any material interest pursuant to these Articles. The Director shall be counted towards a quorum of those present at the meeting. If the director votes on the resolution, his vote shall be counted.
- 19.2 For the purposes of the preceding Article:
- (a) a general notice that a Director gives to the other Directors that he is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that he has an interest in or duty in relation to any such transaction of the nature and extent so specified; and
  - (b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.
- 19.3 A Director shall not be treated as having an interest in a transaction or arrangement if he has no knowledge of that interest and it is unreasonable to expect the director to have that knowledge.
- 19.4 For so long as Shares are listed on a Designated Stock Exchange, a Director shall not, as a Director, vote in respect of any contract, transaction, arrangement or proposal in which he has an interest which (together with any interest of any person connected with him) is a material interest (otherwise than by virtue of his interests, direct or indirect, in Shares or debentures or other securities of, or otherwise in or through, the Company) and if he shall do so his vote shall not be counted, nor in relation thereto shall he be counted in the quorum present at the meeting, but (in the absence of some other material interest than is mentioned below) none of these prohibitions shall apply to:
- (a) the giving of any security, guarantee or indemnity in respect of:
    - (i) money lent or obligations incurred by him or by any other person for the benefit of the Company or any of its subsidiaries; or
    - (ii) a debt or obligation of the Company or any of its subsidiaries for which the Director himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;

- (b) where the Company or any of its subsidiaries is offering securities in which offer the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the Director is to or may participate;
- (c) any contract, transaction, arrangement or proposal affecting any other body corporate in which he is interested, directly or indirectly and whether as an officer, shareholder, creditor or otherwise howsoever, provided that he (together with persons connected with him) does not to his knowledge hold an interest representing one per cent or more of any class of the equity share capital of such body corporate (or of any third body corporate through which his interest is derived) or of the voting rights available to members of the relevant body corporate (any such interest being deemed for the purposes of this Article 19.4 to be a material interest in all circumstances);
- (d) any act or thing done or to be done in respect of any arrangement for the benefit of the employees of the Company or any of its subsidiaries under which he is not accorded as a Director any privilege or advantage not generally accorded to the employees to whom such arrangement relates; or
- (e) any matter connected with the purchase or maintenance for any Director of insurance against any liability or (to the extent permitted by the Act) indemnities in favour of Directors, the funding of expenditure by one or more Directors in defending proceedings against him or them or the doing of any thing to enable such Director or Directors to avoid incurring such expenditure.

19.5 A Director may, as a Director, vote (and be counted in the quorum) in respect of any contract, transaction, arrangement or proposal in which he has an interest which is not a material interest or which falls within Article 19.4.

## **20 Minutes**

20.1 The Company shall cause minutes to be made in books of:

- (a) all appointments of Officers and committees made by the Board and of any such Officer's remuneration; and
- (b) the names of Directors present at every meeting of the Directors, a committee of the Board, the Company or the holders of any class of shares or debentures, and all orders, resolutions and proceedings of such meetings.

20.2 Any such minutes, if purporting to be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting or the Secretary, shall be prima facie evidence of the matters stated in them.

## **21 Accounts and audit**

- 21.1 The Directors must ensure that proper accounting and other records are kept, and that accounts and associated reports are distributed in accordance with the requirements of the Act.
- 21.2 The books of account shall be kept at the registered office of the Company and shall always be open to inspection by the Directors. No Member (other than a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by the Act or as authorised by the Directors or by Ordinary Resolution.
- 21.3 Unless the Directors otherwise prescribe, the financial year of the Company shall end on 30 September in each year and begin on 1 October in each year.

### **Auditors**

- 21.4 The Directors may appoint or remove an Auditor of the Company who shall hold office on such terms as the Directors determine, provided that for so long as any class of the Shares are listed on a Designated Stock Exchange, such appointment or removal shall be made in accordance with the applicable Designated Stock Exchange Rules.
- 21.5 At any general meeting convened and held at any time in accordance with these Articles, the Members may, by Ordinary Resolution, remove the Auditor before the expiration of his term of office. If they do so, the Members shall, by Ordinary Resolution, at that meeting appoint another Auditor in his stead for the remainder of his term.
- 21.6 The Auditors shall examine such books, accounts and vouchers; as may be necessary for the performance of their duties.
- 21.7 The Auditors shall, if so requested by the Directors, make a report on the accounts of the Company during their tenure of office at the next annual general meeting following their appointment, and at any time during their term of office, upon request of the Directors or any general meeting of the Company.

## **22 Record dates**

- 22.1 Except to the extent of any conflicting rights attached to Shares, the resolution declaring a dividend on Shares of any class, whether it be an Ordinary Resolution of the Members or a Director's resolution, may specify that the dividend is payable or distributable to the persons registered as the holders of those Shares at the close of business on a particular date, notwithstanding that the date may be a date prior to that on which the resolution is passed.
- 22.2 If the resolution does so specify, the dividend shall be payable or distributable to the persons registered as the holders of those Shares at the close of business on the specified date in accordance with their respective holdings so registered, but without prejudice to the rights *inter se* in respect of the dividend of transferors and transferees of any of those Shares.

22.3 The provisions of this Article apply, *mutatis mutandis*, to bonuses, capitalisation issues, distributions of realised capital profits or offers or grants made by the Company to the Members.

## **23 Dividends**

### **Source of dividends**

23.1 Dividends may be declared and paid out of any funds of the Company lawfully available for distribution.

23.2 Subject to the requirements of the Act regarding the application of a company's Share premium account and with the sanction of an Ordinary Resolution, dividends may also be declared and paid out of any share premium account.

### **Declaration of dividends by Members**

23.3 Subject to the provisions of the Act, the Company may by Ordinary Resolution declare dividends in accordance with the respective rights of the Members but no dividend shall exceed the amount recommended by the Directors.

### **Payment of interim dividends and declaration of final dividends by Directors**

23.4 The Directors may declare and pay interim dividends or recommend final dividends in accordance with the respective rights of the Members if it appears to them that they are justified by the financial position of the Company and that such dividends may lawfully be paid.

23.5 Subject to the provisions of the Act, in relation to the distinction between interim dividends and final dividends, the following applies:

- (a) Upon determination to pay a dividend or dividends described as interim by the Directors in the dividend resolution, no debt shall be created by the declaration until such time as payment is made.
- (b) Upon declaration of a dividend or dividends described as final by the Directors in the dividend resolution, a debt shall be created immediately following the declaration, the due date to be the date the dividend is stated to be payable in the resolution.

If the resolution fails to specify whether a dividend is final or interim, it shall be assumed to be interim.

23.6 In relation to Shares carrying differing rights to dividends or rights to dividends at a fixed rate, the following applies:

- (a) If the share capital is divided into different classes, the Directors may pay dividends on Shares which confer deferred or non-preferred rights with regard to dividends as well as on Shares which confer preferential rights with regard to dividends but no dividend shall be paid on Shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears.

- (b) The Directors may also pay, at intervals settled by them, any dividend payable at a fixed rate if it appears to them that there are sufficient funds of the Company lawfully available for distribution to justify the payment.
- (c) If the Directors act in good faith, they shall not incur any liability to the Members holding Shares conferring preferred rights for any loss those Members may suffer by the lawful payment of the dividend on any Shares having deferred or non-preferred rights.

**Apportionment of dividends**

- 23.7 Except as otherwise provided by the rights attached to Shares all dividends shall be declared and paid according to the amounts Paid Up on the Shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amount Paid Up on the Shares during the time or part of the time in respect of which the dividend is paid. But if a Share is issued on terms providing that it shall rank for dividend as from a particular date, that Share shall rank for dividend accordingly.

**Right of set off**

- 23.8 The Directors may deduct from a dividend or any other amount payable to a person in respect of a Share any amount due by that person to the Company on a call or otherwise in relation to a Share.

**Power to pay other than in cash**

- 23.9 If the Directors so determine, any resolution declaring a dividend may direct that it shall be satisfied wholly or partly by the distribution of assets. If a difficulty arises in relation to the distribution, the Directors may settle that difficulty in any way they consider appropriate. For example, they may do any one or more of the following:
- (a) issue fractional Shares;
  - (b) fix the value of assets for distribution and make cash payments to some Members on the footing of the value so fixed in order to adjust the rights of Members; and
  - (c) vest some assets in trustees.

**How payments may be made**

- 23.10 A dividend or other monies payable on or in respect of a Share may be paid in any of the following ways:
- (a) if the Member holding that Share or other person entitled to that Share nominates a bank account for that purpose - by wire transfer to that bank account; or

(b) by cheque or warrant sent by post to the registered address of the Member holding that Share or other person entitled to that Share.

23.11 For the purposes of Article 23.10(a), the nomination may be in writing or in an Electronic Record and the bank account nominated may be the bank account of another person. For the purposes of Article 23.10(b), subject to any applicable law or regulation, the cheque or warrant shall be made to the order of the Member holding that Share or other person entitled to the Share or to his nominee, whether nominated in writing or in an Electronic Record, and payment of the cheque or warrant shall be a good discharge to the Company.

23.12 If two or more persons are registered as the holders of the Share or are jointly entitled to it by reason of the death or bankruptcy of the registered holder (**Joint Holders**), a dividend (or other amount) payable on or in respect of that Share may be paid as follows:

(a) to the registered address of the Joint Holder of the Share who is named first on the register of Members or to the registered address of the deceased or bankrupt holder, as the case may be; or

(b) to the address or bank account of another person nominated by the Joint Holders, whether that nomination is in writing or in an Electronic Record.

23.13 Any Joint Holder of a Share may give a valid receipt for a dividend (or other amount) payable in respect of that Share.

**Dividends or other monies not to bear interest in absence of special rights**

23.14 Unless provided for by the rights attached to a Share, no dividend or other monies payable by the Company in respect of a Share shall bear interest.

**Dividends unable to be paid or unclaimed**

23.15 If a dividend cannot be paid to a Member or remains unclaimed within six weeks after it was declared or both, the Directors may pay it into a separate account in the Company's name. If a dividend is paid into a separate account, the Company shall not be constituted trustee in respect of that account and the dividend shall remain a debt due to the Member.

23.16 A dividend that remains unclaimed for a period of six years after it became due for payment shall be forfeited to, and shall cease to remain owing by, the Company.

**24 Capitalisation of profits**

**Capitalisation of profits or of any share premium account or capital redemption reserve;**

24.1 The Directors may resolve to capitalise:

(a) any part of the Company's profits not required for paying any preferential dividend (whether or not those profits are available for distribution); or

(b) any sum standing to the credit of the Company's share premium account or capital redemption reserve, if any.

24.2 The amount resolved to be capitalised must be appropriated to the Members who would have been entitled to it had it been distributed by way of dividend and in the same proportions. The benefit to each Member so entitled must be given in either or both of the following ways::

(a) by paying up the amounts unpaid on that Member's Shares;

(b) by issuing Fully Paid Up Shares, debentures or other securities of the Company to that Member or as that Member directs. The Directors may resolve that any Shares issued to the Member in respect of Partly Paid Up Shares (**Original Shares**) rank for dividend only to the extent that the Original Shares rank for dividend while those Original Shares remain Partly Paid Up.

#### **Applying an amount for the benefit of Members**

24.3 The amount capitalised must be applied to the benefit of Members in the proportions to which the Members would have been entitled to dividends if the amount capitalised had been distributed as a dividend.

24.4 Subject to the Act, if a fraction of a Share, a debenture or other security is allocated to a Member, the Directors may issue a fractional certificate to that Member or pay him the cash equivalent of the fraction.

#### **25 Share Premium Account**

##### **Directors to maintain share premium account**

25.1 The Directors shall establish a share premium account in accordance with the Act. They shall carry to the credit of that account from time to time an amount equal to the amount or value of the premium paid on the issue of any Share or capital contributed or such other amounts required by the Act.

##### **Debits to share premium account**

25.2 The following amounts shall be debited to any share premium account:

(a) on the redemption or purchase of a Share, the difference between the nominal value of that Share and the redemption or purchase price; and

(b) any other amount paid out of a share premium account as permitted by the Act.

25.3 Notwithstanding the preceding Article, on the redemption or purchase of a Share, the Directors may pay the difference between the nominal value of that Share and the redemption purchase price out of the profits of the Company or, as permitted by the Act, out of capital.

## **26 Seal**

### **Company seal**

26.1 The Company may have a seal if the Directors so determine.

### **Duplicate seal**

26.2 Subject to the provisions of the Act, the Company may also have a duplicate seal or seals for use in any place or places outside the Cayman Islands. Each duplicate seal shall be a facsimile of the original seal of the Company. However, if the Directors so determine, a duplicate seal shall have added on its face the name of the place where it is to be used.

### **When and how seal is to be used**

26.3 A seal may only be used by the authority of the Directors. Unless the Directors otherwise determine, a document to which a seal is affixed must be signed in one of the following ways:

- (a) by a Director (or his alternate) and the Secretary; or
- (b) by a single Director (or his alternate).

### **If no seal is adopted or used**

26.4 If the Directors do not adopt a seal, or a seal is not used, a document may be executed in the following manner:

- (a) by a Director (or his alternate) and the Secretary; or
- (b) by a single Director (or his alternate); or
- (c) in any other manner permitted by the Act.

### **Power to allow non-manual signatures and facsimile printing of seal**

26.5 The Directors may determine that either or both of the following applies:

- (a) that the seal or a duplicate seal need not be affixed manually but may be affixed by some other method or system of reproduction;
- (b) that a signature required by these Articles need not be manual but may be a mechanical or Electronic Signature.

### **Validity of execution**

26.6 If a document is duly executed and delivered by or on behalf of the Company, it shall not be regarded as invalid merely because, at the date of the delivery, the Secretary, or the Director, or other Officer or person who signed the document or affixed the seal for and on behalf of the Company ceased to be the Secretary or hold that office and authority on behalf of the Company.

**27 Indemnity**

- 27.1 To the extent permitted by law, the Company shall indemnify each existing or former Director (including alternate Director), Secretary and other Officer of the Company (including an investment adviser or an administrator or liquidator) and their personal representatives against:
- (a) all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by the existing or former Director (including alternate Director), Secretary or Officer in or about the conduct of the Company's business or affairs or in the execution or discharge of the existing or former Director's (including alternate Director's), Secretary's or Officer's duties, powers, authorities or discretions; and
  - (b) without limitation to paragraph (a), all costs, expenses, losses or liabilities incurred by the existing or former Director (including alternate Director), Secretary or Officer in defending (whether successfully or otherwise) any civil, criminal, administrative or investigative proceedings (whether threatened, pending or completed) concerning the Company or its affairs in any court or tribunal, whether in the Cayman Islands or elsewhere.

No such existing or former Director (including alternate Director), Secretary or Officer, however, shall be indemnified in respect of any matter arising out of his own dishonesty.

- 27.2 To the extent permitted by Act, the Company may make a payment, or agree to make a payment, whether by way of advance, loan or otherwise, for any legal costs incurred by an existing or former Director (including alternate Director), Secretary or Officer of the Company in respect of any matter identified in Article 27.1 on condition that the Director (including alternate Director), Secretary or Officer must repay the amount paid by the Company to the extent that it is ultimately found not liable to indemnify the Director (including alternate Director), Secretary or that Officer for those legal costs.

**Release**

- 27.3 To the extent permitted by the Act, the Company may by Special Resolution release any existing or former Director (including alternate Director), Secretary or other Officer of the Company from liability for any loss or damage or right to compensation which may arise out of or in connection with the execution or discharge of the duties, powers, authorities or discretions of his office; but there may be no release from liability arising out of or in connection with that person's own dishonesty.

## **Insurance**

27.4 To the extent permitted by Act, the Company may pay, or agree to pay, a premium in respect of a contract insuring each of the following persons against risks determined by the Directors, other than liability arising out of that person's own dishonesty:

- (a) an existing or former Director (including alternate Director), Secretary or Officer or auditor of:
  - (i) the Company;
  - (ii) a company which is or was a subsidiary of the Company;
  - (iii) a company in which the Company has or had an interest (whether direct or indirect); and
- (b) a trustee of an employee or retirement benefits scheme or other trust in which any of the persons referred to in paragraph (a) is or was interested.

## **28 Notices**

### **Form of notices**

28.1 Save where these Articles provide otherwise, and subject to the Designated Stock Exchange Rules (to the extent applicable), any notice to be given to or by any person pursuant to these Articles shall be:

- (a) in writing signed by or on behalf of the giver in the manner set out below for written notices; or
- (b) subject to the next Article, in an Electronic Record signed by or on behalf of the giver by Electronic Signature and authenticated in accordance with Articles about authentication of Electronic Records; or
- (c) where these Articles expressly permit, by the Company by means of a website.

### **Electronic communications**

28.2 A notice may only be given to the Company in an Electronic Record if:

- (a) the Directors so resolve or otherwise accept the notice;
- (b) any Director or Officer provides the giver of the notice an electronic address to which the notice may be sent and a notice is sent to that address within a reasonable period of time.

- 28.3 A notice may not be given by Electronic Record to a person other than the Company unless the recipient has provided the giver of the notice with an Electronic address to which notice may be sent.
- 28.4 Subject to the Act, (to the extent applicable) the Designated Stock Exchange Rules and to any other rules which the Company is bound to follow, the Company may also send any notice or other document pursuant to these Articles to a Member by publishing that notice or other document on the Company's website.

**Persons entitled to notices**

- 28.5 For so long as the Shares are listed on a Designated Stock Exchange, any notice or other document to be given to a Member may be given by reference to the register of Members as it stands at any time within the period of twenty-one days before the day that the notice is given or (where and as applicable) within any other period permitted by, or in accordance with the requirements of, (to the extent applicable) the Designated Stock Exchange Rules and/or the Designated Stock Exchanges. No change in the register of Members after that time shall invalidate the giving of such notice or document or require the Company to give such item to any other person.

**Persons authorised to give notices**

- 28.6 A notice by either the Company or a Member pursuant to these Articles may be given on behalf of the Company or a Member by a Director or company secretary of the Company or a Member.

**Delivery of written notices**

- 28.7 Save where these Articles provide otherwise, a notice in writing may be given personally to the recipient, or left at (as appropriate) the Member's or Director's registered address or the Company's registered office, or posted to that registered address or registered office.

**Joint holders**

- 28.8 Where Members are joint holders of a Share, all notices shall be given to the Member whose name first appears in the register of Members.

**Signatures**

- 28.9 A written notice shall be signed when it is autographed by or on behalf of the giver, or is marked in such a way as to indicate its execution or adoption by the giver.
- 28.10 An Electronic Record may be signed by an Electronic Signature.

**Evidence of transmission**

- 28.11 A notice given by Electronic Record shall be deemed sent if an Electronic Record is kept demonstrating the time, date and content of the transmission, and if no notification of failure to transmit is received by the giver.
- 28.12 A notice given in writing shall be deemed sent if the giver can provide proof that the envelope containing the notice was properly addressed, pre-paid and posted, or that the written notice was otherwise properly transmitted to the recipient.
- 28.13 A Member present, either in person or by proxy, at any meeting of the Company or of the holders of any class of Shares shall be deemed to have received due notice of the meeting and, where requisite, of the purposes for which it was called.

**Giving notice to a deceased or bankrupt Member**

- 28.14 A notice may be given by the Company to the persons entitled to a Share in consequence of the death or bankruptcy of a Member by sending or delivering it, in any manner authorised by these Articles for the giving of notice to a Member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description, at the address, if any, supplied for that purpose by the persons claiming to be so entitled.
- 28.15 Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

**Date of giving notices**

- 28.16 A notice is given on the date identified in the following table

**Method for giving notices**

- (A) Personally
- (B) By leaving it at the Member's registered address
- (C) By posting it by prepaid post to the street or postal address of that recipient
- (D) By Electronic Record (other than publication on a website), to recipient's Electronic address
- (E) By publication on a website

**When taken to be given**

- At the time and date of delivery
- At the time and date it was left
- 48 hours after the date it was posted
- On the day on which it is transmitted from the server of the Company or its agent
- On the day the notice or document is published on the website

**Saving provision**

- 28.17 None of the preceding notice provisions shall derogate from the Articles about the delivery of written resolutions of Directors and written resolutions of Members.

## 29 Authentication of Electronic Records

### Application of Articles

- 29.1 Without limitation to any other provision of these Articles, any notice, written resolution or other document under these Articles that is sent by Electronic means by a Member, or by the Secretary, or by a Director or other Officer of the Company, shall be deemed to be authentic if either Article 29.2 or Article 29.4 applies.

### Authentication of documents sent by Members by Electronic means

- 29.2 An Electronic Record of a notice, written resolution or other document sent by Electronic means by or on behalf of one or more Members shall be deemed to be authentic if the following conditions are satisfied:
- (a) the Member or each Member, as the case may be, signed the original document, and for this purpose **Original Document** includes several documents in like form signed by one or more of those Members; and
  - (b) the Electronic Record of the Original Document was sent by Electronic means by, or at the direction of, that Member to an address specified in accordance with these Articles for the purpose for which it was sent; and
  - (c) Article 29.7 does not apply.
- 29.3 For example, where a sole Member signs a resolution and sends the Electronic Record of the original resolution, or causes it to be sent, by facsimile transmission to the address in these Articles specified for that purpose, the facsimile copy shall be deemed to be the written resolution of that Member unless Article 29.7 applies.

### Authentication of document sent by the Secretary or Officers of the Company by Electronic means

- 29.4 An Electronic Record of a notice, written resolution or other document sent by or on behalf of the Secretary or an Officer or Officers of the Company shall be deemed to be authentic if the following conditions are satisfied:
- (a) the Secretary or the Officer or each Officer, as the case may be, signed the original document, and for this purpose **Original Document** includes several documents in like form signed by the Secretary or one or more of those Officers; and
  - (b) the Electronic Record of the Original Document was sent by Electronic means by, or at the direction of, the Secretary or that Officer to an address specified in accordance with these Articles for the purpose for which it was sent; and
  - (c) Article 29.7 does not apply.

This Article 29.4 applies whether the document is sent by or on behalf of the Secretary or Officer in his own right or as a representative of the Company.

29.5 For example, where a sole Director signs a resolution and scans the resolution, or causes it to be scanned, as a PDF version which is attached to an email sent to the address in these Articles specified for that purpose, the PDF version shall be deemed to be the written resolution of that Director unless Article 29.7 applies.

#### **Manner of signing**

29.6 For the purposes of these Articles about the authentication of Electronic Records, a document will be taken to be signed if it is signed manually or in any other manner permitted by these Articles.

#### **Saving provision**

29.7 A notice, written resolution or other document under these Articles will not be deemed to be authentic if the recipient, acting reasonably:

- (a) believes that the signature of the signatory has been altered after the signatory had signed the original document; or
- (b) believes that the original document, or the Electronic Record of it, was altered, without the approval of the signatory, after the signatory signed the original document; or
- (c) otherwise doubts the authenticity of the Electronic Record of the document

and the recipient promptly gives notice to the sender setting the grounds of its objection. If the recipient invokes this Article, the sender may seek to establish the authenticity of the Electronic Record in any way the sender thinks fit.

#### **30 Transfer by way of continuation**

30.1 The Company may, by Special Resolution, resolve to be registered by way of continuation in a jurisdiction outside:

- (a) the Cayman Islands; or
- (b) such other jurisdiction in which it is, for the time being, incorporated, registered or existing.

30.2 To give effect to any resolution made pursuant to the preceding Article, the Directors may cause the following:

- (a) an application be made to the Registrar of Companies of the Cayman Islands to deregister the Company in the Cayman Islands or in the other jurisdiction in which it is for the time being incorporated, registered or existing; and

(b) all such further steps as they consider appropriate to be taken to effect the transfer by way of continuation of the Company.

### **31 Winding up**

#### **Distribution of assets in specie**

31.1 If the Company is wound up the Members may, subject to these Articles and any other sanction required by the Act, pass a Special Resolution allowing the liquidator to do either or both of the following:

- (a) to divide in specie among the Members the whole or any part of the assets of the Company and, for that purpose, to value any assets and to determine how the division shall be carried out as between the Members or different classes of Members; and/or
- (b) to vest the whole or any part of the assets in trustees for the benefit of Members and those liable to contribute to the winding up.

#### **No obligation to accept liability**

31.2 No Member shall be compelled to accept any assets if an obligation attaches to them.

31.3 The Directors are authorised to present a winding up petition

31.4 The Directors have the authority to present a petition for the winding up of the Company to the Grand Court of the Cayman Islands on behalf of the Company without the sanction of a resolution passed at a general meeting.

### **32 Amendment of Memorandum and Articles**

#### **Power to change name or amend Memorandum**

32.1 Subject to the Act, the Company may, by Special Resolution:

- (a) change its name; or
- (b) change the provisions of its Memorandum with respect to its objects, powers or any other matter specified in the Memorandum.

#### **Power to amend these Articles**

32.2 Subject to the Act and as provided in these Articles, the Company may, by Special Resolution, amend these Articles in whole or in part.

**Description of Securities**  
**Registered under Section 12 of the Securities Exchange Act of 1934**

As of September 30, 2025, Youxin Technology Ltd (the “Company,” “we,” “our” or “us”) had one class of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended, as follows:

Title of each class	Symbol	Name of each exchange on which registered
Class A Ordinary Shares, par value US\$0.008 per share	YAAS	Nasdaq Capital Market

Capitalized terms used but not defined herein shall have the meanings given to them in the annual report on Form 20-F.

We are a Cayman Islands exempted company with limited liability duly registered with the Cayman Islands Registrar of Companies. Our affairs are governed by our memorandum and articles of association (as amended and restated from time to time) (the “Memorandum and Articles of Association”), the Companies Act (as revised) of the Cayman Islands, which is referred to as the Companies Act below, and the common law of the Cayman Islands. Our corporate purposes are unrestricted and we have the authority to carry out any object not prohibited by any law as provided by Section 7(4) of the Companies Act.

The authorized share capital of our company is \$50,000 divided into: 5,000,000 Class A Shares of \$0.008 par value each, and 100,000,000 Class B Shares of \$0.0001 par value each. As of September 30, 2025, our company had 2,140,813 Class A Shares and 8,945,307 Class B Shares, issued and outstanding, respectively.

**Ordinary Shares**

**General**

All our issued and outstanding ordinary shares are fully paid and non-assessable. Our ordinary shares are issued in registered form and are issued when registered in our register of members. The title to Shares listed on Nasdaq Stock Market may be evidenced and transferred in accordance with the laws applicable to the rules and regulations of Nasdaq Stock Market. Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their Class A Shares and Class B Shares. Our Memorandum and Articles of Association do not permit us to issue bearer shares.

Holders of Class A Shares and Class B Shares vote together as one class on all matters submitted to a vote by the shareholders at any general meeting of our company and have the same rights except each Class A Share is entitled to 1 vote and each Class B Share is entitled to 20 votes. The Class A Shares are not convertible into shares of any other class. Upon any direct or indirect sale, transfer, assignment or disposition, the Class B Shares will be automatically and immediately convertible into Class A Shares on a one-to-one basis.

**Listing**

Our Class A Shares are listed for trading on The Nasdaq Capital Market under the symbol “YAAS.” We will not list Class B Shares on The Nasdaq Capital Market.

**Issuance of Shares**

Our Board of Directors has general and unconditional authority to grant options over, offer or otherwise deal with or dispose of any unissued shares in our capital without further action by our shareholders (whether forming part of the original or any increased share capital), either at a premium or at par, with or without preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise and to such persons, on such terms and conditions, and at such times as the directors may decide, but so that no share shall be issued at a discount, except in accordance with the provisions of the Companies Act. We will not issue bearer shares.

### ***Fiscal Year***

Our fiscal year ends on September 30 of the calendar year.

### ***Record Dates***

The Board of Directors may determine that the shareholders entitled to receive notice of a meeting or the dividend are those persons entered on the register of members at the close of business on a day determined by the Board of Directors.

### ***General Meetings of Shareholders***

As a Cayman Islands exempted company, we are not obliged by the Companies Act to call annual general meetings; accordingly, we may, but shall not be obliged to, in each year hold a general meeting as an annual general meeting. Any annual general meeting held shall be held at such time and place as may be determined by our board of directors. All general meetings other than annual general meetings shall be called extraordinary general meetings. For any general meeting of shareholders the notice of a general meeting shall specify (a) the place, date and hour of the meeting; (b) if the meeting is to be held in two or more places, the technology that will be used to facilitate the meeting; (c) the general nature of the business to be transacted and (d) if a resolution is proposed as a special resolution, the text of that resolution.

The Companies Act of the Cayman Islands provides shareholders with only limited rights to requisition a general meeting and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our Articles of Association provide that upon the requisition of shareholders representing not less than 10% of the voting rights entitled to vote at general meetings, our Board will convene a general meeting and put the resolutions so requisitioned to a vote at such meeting.

Subject to regulatory requirements, our annual general meeting and any extraordinary general meetings must be called by not less than 5 clear days' notice prior to the relevant shareholders meeting and convened by a notice discussed below. But a meeting may be convened on shorter notice with the consent of the Member or Members who, individually or collectively, hold at least 90% of the voting rights of all those who have a right to vote at that meeting.

We will give notice of each general meeting of shareholders by publication on our website, in a Cayman Islands daily newspaper with national distribution and in any other manner that we may be required to follow in order to comply with Cayman Islands law, Nasdaq Capital Market and SEC requirements. The holders of registered shares may be convened for a shareholders' meeting by means of letters sent to the addresses of those shareholders as registered in our shareholders' register, or, subject to certain statutory requirements, by electronic means. We will observe the statutory minimum convening notice period for a general meeting of shareholders.

A quorum for a general meeting consists of any one or more persons holding or representing by proxy not less than one-third of our outstanding shares carrying the right to vote at such general meeting. As noted in the risk factor titled *"We are a "foreign private issuer," and our disclosure obligations differ from those of U.S. domestic reporting companies. As a result, we may not provide you the same information as U.S. domestic reporting companies or we may provide information at different times, which may make it more difficult for you to evaluate our performance and prospects."*, The Nasdaq Capital Market allows foreign private issuers like our Company to opt to follow rules that apply in the issuer's home country instead of a given Nasdaq rule. NASDAQ Listing Rule 5615(a)(3) permits a foreign private issuer like us to follow home country practices in lieu of certain requirements of Listing Rule 5600, provided that such foreign private issuer discloses in its annual report filed with the SEC each requirement of Rule 5600 that it does not follow and describes the home country practice followed in lieu of such requirement. We have opted to follow home country practice regarding quorum requirements pursuant to NASDAQ Listing Rule 5615(a)(3).

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At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before, or on, the declaration of the result of the show of hands) demanded by the chairman of the meeting or by at least two shareholders having the right to vote on the resolutions or one or more shareholders present who together hold not less than ten percent of the voting rights of all those who are entitled to vote on the resolution. Unless a poll is so demanded, a declaration by the chairman as to the result of a resolution and an entry to that effect in the minutes of the meeting, shall be conclusive evidence of the outcome of a show of hands, without proof of the number or proportion of the votes recorded in favor of, or against, that resolution. If a poll is duly demanded it shall be taken in such manner as the chairman directs. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall not be entitled to a second or casting vote.

An ordinary resolution to be passed by the shareholders requires the affirmative vote of a simple majority of the votes cast by, or on behalf of, the shareholders entitled to vote present in person or by proxy and voting at the meeting. A special resolution requires the affirmative vote of no less than two-thirds of the votes cast by the shareholders entitled to vote who are present in person or by proxy at a general meeting. Both ordinary resolutions and special resolutions may also be passed by a unanimous written resolution signed by all the shareholders of our company, as permitted by the Companies Act and our Articles of Association.

Pursuant to our Articles of Association, the chairman of a general meeting shall be the chairman of the Board or such other director as the directors have nominated to chair Board meetings in the absence of the chairman of the Board. Absent any such person being present within 15 minutes of the time appointed for the meeting, the directors present shall elect one of them to chair the meeting. If no director is present within 15 minutes of the time appointed for the meeting, or if no director is willing to act as chairman, the shareholders present in person or by proxy and entitled to vote shall choose one of them to chair the meeting.

### ***Liquidation Rights***

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation applicable to any class or classes of shares (1) if we are wound up and the assets available for distribution among our shareholders are more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* among our shareholders in proportion to the amount paid up at the commencement of the winding up on the shares held by them, respectively, and (2) if we are wound up and the assets available for distribution among our shareholders as such are insufficient to repay the whole of the paid-up capital, those assets shall be distributed so that, as nearly as may be, the losses shall be borne by our shareholders in proportion to the capital paid up at the commencement of the winding up on the shares held by them, respectively.

If we are wound up, the shareholders may, subject to our Articles of Association and any other sanction required by the Companies Act, pass a special resolution allowing the liquidator to do either or both of the following: (a) divide in specie among our shareholders the whole or any part of our assets and may, for such purpose, value any assets and may determine how such division shall be carried out as between the shareholders or different classes of shareholders; and (b) vest the whole or any part of these assets in trustees for the benefit of our shareholders and those liable to contribute to the winding up. The directors have the authority to present a petition for our winding up to the Grand Court of the Cayman Islands on our behalf without the sanction of a resolution passed at a general meeting.

### ***Changes to Capital***

Pursuant to our Articles of Association, we may from time to time by shareholders resolution passed by a simple majority of the voting rights entitled to vote at a general meeting:

- increase our share capital by new Shares of the amount fixed by that ordinary resolution and with the attached rights, priorities and privileges set out in that ordinary resolution;
  - consolidate and divide all or any of our share capital into shares of larger amount than our existing shares;
  - convert all or any of its paid-up shares into stock and reconvert that stock into paid up shares of any denomination;
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- sub-divide our existing shares, or any of them, into shares of smaller amounts than is fixed pursuant to our Memorandum of Association; and
- cancel any shares which at the date of the passing of the ordinary resolution have not been taken or agreed to be taken by any person, and diminish the amount of our share capital by the amount of the shares so cancelled, subject to the provisions of the Companies Act.

In addition, subject to the provisions of the Companies Act and our Articles of Association, we may:

- issue shares on terms that they are to be redeemed or are liable to be redeemed;
- purchase our own shares (including any redeemable shares); and
- make a payment in respect of the redemption or purchase of our own shares in any manner authorized by the Companies Act, including out of our capital.

### ***Transfer of Shares***

Subject to any applicable restrictions set forth in our Articles of Association, any of our shareholders may transfer all or a portion of their ordinary shares by an instrument of transfer in the usual or common form or in the form prescribed by The Nasdaq Capital Market or in any other form which our Board of Directors may approve.

We have been approved to have our Shares listed on The Nasdaq Capital Market. Our Shares will be traded in book-entry form and may be transferred in accordance with Articles of Association and the rules and regulations of such exchange.

Where the ordinary shares in question are not listed on or subject to the rules of the Nasdaq Stock Market, registration of any transfer of shares must be approved by our Board of Directors, and our directors may in their absolute discretion decline to register any transfer of shares which are not fully paid up or on which our company has a lien. The directors may also, but are not required to, decline to register any transfer of any such share unless:

- (a) the instrument of transfer is lodged with our company, accompanied by the certificate for the Class A Shares or Class B Shares to which it relates and such other evidence as our Board of Directors may reasonably require to show the right of the transferor to make the transfer;
- (b) the instrument of transfer is in respect of only one class of shares;
- (c) the instrument of transfer is properly stamped, if required;
- (d) the Class A Share or Class B Share transferred is fully paid and free of any lien in favor of us;
- (e) any fee related to the transfer has been paid to us; and
- (f) the transfer is not to more than four joint holders.

If our directors refuse to register a transfer of any of our shares which are not listed on The Nasdaq Capital Market, they are required, within three months after the date on which the instrument of transfer was lodged, to send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, on 14 days' notice being given by advertisement in such one or more newspapers or by electronic means, be suspended and our register of members closed at such times and for such periods as our Board of Directors may from time to time determine. The registration of transfers, however, may not be suspended, and the register may not be closed, for more than 30 days in any year.

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In addition, upon any sale, transfer, assignment, or disposition of Class B Shares by a holder to a non-affiliate, the Class B Shares shall be immediately and automatically converted into such number of Class A Shares based on a one-to-one basis. It is clarified that the sale, transfer, assignment, or disposition shall be deemed effective only upon the registration of such transaction in our company's register of members. The creation of a pledge, charge, encumbrance, or other third-party right on any Class B Shares shall not be considered as a sale, transfer, assignment, or disposition unless and until it is enforced and the third party holds full ownership interest in the Class B Shares. In such a case, the Class B Shares shall be converted automatically into Class A Shares upon the registration of the third party or its designee as a shareholder holding an equal number of Class A Shares in the register of members.

### ***Share Repurchase***

We are empowered by the Companies Act and our Articles of Association to purchase our own shares, subject to certain restrictions and requirements under the Companies Act and our Articles of Association. Our Board of Directors may only exercise this power on our behalf, subject to the Companies Act, our Articles of Association and to any applicable requirements imposed from time to time by the SEC, The Nasdaq Capital Market, or by any recognized stock exchange on which our securities are listed.

### ***Dividends and Capitalization of Profits***

Subject to the Companies Act, our company may by ordinary resolution declare dividends in accordance with the respective rights of the shareholders, but no dividend shall exceed the amount recommended by the directors of our company. Our Board of Directors may pay interim dividends or declare final dividends in accordance with the respective rights of the shareholders if it appears to them that they are justified by the financial position of our company and that such dividends may lawfully be paid. Subject to the provisions of the Act, in relation to the distinction between interim dividends and final dividends, the following applies: (a) upon determination to pay a dividend or dividends described as interim by the directors in the dividend resolution, no debt shall be created by the declaration until such time as payment is made; and (b) upon declaration of a dividend or dividends described as final by the directors in the dividend resolution, a debt shall be created immediately following the declaration, the due date to be the date the dividend is stated to be payable in the resolution. If the resolution fails to specify whether a dividend is final or interim, it shall be assumed to be interim.

In relation to Shares carrying differing rights to dividends or rights to dividends at a fixed rate, the following applies: (a) If the share capital is divided into different classes, the directors may pay dividends on Shares which confer deferred or non-preferred rights with regard to dividends as well as on Shares which confer preferential rights with regard to dividends but no dividend shall be paid on Shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears; (b) The directors may also pay, at intervals settled by them, any dividend payable at a fixed rate if it appears to them that there are sufficient funds of our company lawfully available for distribution to justify the payment and; (c) If the directors act in good faith, they shall not incur any liability to the Members holding Shares conferring preferred rights for any loss those Members may suffer by the lawful payment of the dividend on any Shares having deferred or non-preferred rights.

Except as otherwise provided by the rights attached to Shares, all dividends shall be declared and paid according to the amounts paid up on the Shares on which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amount paid up on the Shares during the time or part of the time in respect of which the dividend is paid. But if a Share is issued on terms providing that it shall rank for dividend as from a particular date, that Share shall rank for dividend accordingly. The directors may deduct from a dividend or any other amount payable to a person in respect of a Share any amount due by that person to our Company on a call or otherwise in relation to a Share.

Unless provided for by the rights attached to a Share, no dividend or other monies payable by our Company in respect of a Share shall bear interest.

If a dividend cannot be paid to a member or remains unclaimed within six weeks after it was declared or both, the directors may pay it into a separate account in our Company's name. If a dividend is paid into a separate account, our Company shall not be constituted trustee in respect of that account and the dividend shall remain a debt due to the Member. A dividend that remains unclaimed for a period of six years after it became due for payment shall be forfeited to, and shall cease to remain owing by, our Company.

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### ***Appointment, Disqualification and Removal of Directors***

We may by ordinary resolution, from time to time, fix the maximum and minimum number of directors to be appointed. Under the Articles, we are required to have a minimum of one director and the maximum number of directors shall be unlimited.

A director may be appointed by ordinary resolution or by the directors. Any appointment may be to fill a vacancy or as an additional director. Any director appointed by the board of directors of our company shall, if still a director, retire at the next annual general meeting after his appointment and be eligible to stand for election as a director at such meeting.

A director may be removed by ordinary resolution. As of the date of this report, our Board of Directors has in place an audit committee. See “Management — Board Committee.”

A director may at any time resign or retire from office by giving us notice in writing. Unless the notice specifies a different date, the director shall be deemed to have resigned on the date that the notice is delivered to us.

### ***Grounds for Removing a Director***

Subject to the provisions of the articles, the office of a director may be terminated forthwith if:

- (a) he is prohibited by the law of the Cayman Islands from acting as a director;
- (b) he is made bankrupt or makes an arrangement or composition with his creditors generally;
- (c) he resigns his office by notice to us;
- (d) he only held office as a director for a fixed term and such term expires;
- (e) in the opinion of a registered medical practitioner by whom he is being treated he becomes physically or mentally incapable of acting as a director;
- (f) he is given notice by the majority of the other directors (not being less than two in number) to vacate office (without prejudice to any claim for damages for breach of any agreement relating to the provision of the services of such director);
- (g) he is made subject to any law relating to mental health or incompetence, whether by court order or otherwise; or
- (h) without the consent of the other directors, he is absent from meetings of directors for continuous period of six months.

### ***Proceedings of the Board of Directors***

Our Articles of Association provide that our business is to be managed and conducted by our Board of Directors. The quorum necessary for the Board meeting may be fixed by the Board and, unless so fixed at another number, will be two and business at any meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a casting vote.

Subject to the provisions of the Articles of Association, our Board of Directors may regulate their proceedings as they determine is appropriate.

Subject to the provisions of the Articles of Association, to any directions given by the affirmative vote of a simple majority of the votes cast on the resolution by the shareholders entitled to vote who are present in the meeting and the listing rules of The Nasdaq Capital Market, our Board of Directors may from time to time at its discretion exercise all powers of our company, including to raise capital or borrow money, to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of our company and, subject to the Companies Act, issue debentures, bonds and other securities of our company, whether outright or as collateral security for any debt, liability or obligation of our company or of any third party.

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### ***Inspection of Books and Records***

Holders of ordinary shares will have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records (other than the memorandum and articles of association, our register of mortgages and charges and special resolutions of our shareholders). However, our Board of Directors may determine from time to time whether our accounting records and books shall be open to the inspection of our shareholders not members of our Board of Directors. Notwithstanding the above, our Articles of Association provide our shareholders with the right to receive annual audited financial statements. Such right to receive annual audited financial statements may be satisfied by filing such annual reports as we are required to file with the SEC.

### ***Register of Shareholders***

Under Cayman Islands law, we must keep a register of shareholders that includes:

- the names and addresses of the shareholders, a statement of the shares held by each member, and of the amount paid or agreed to be considered as paid, on the shares of each member;
- the date on which the name of any person was entered on the register as a member; and
- the date on which any person ceased to be a member.

### ***Exempted Company***

We are an exempted company with limited liability under the Companies Act of the Cayman Islands. The Companies Act in the Cayman Islands distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except for the exemptions and privileges listed below:

- an exempted company does not have to file an annual return of its shareholders with the Registrar of Companies;
- an exempted company's register of shareholders is not open to inspection;
- an exempted company does not have to hold an annual general meeting;
- an exempted company need not issue par value, negotiable or bearer shares;
- an exempted company may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);
- an exempted company may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- an exempted company may register as a limited duration company; and
- an exempted company may register as a segregated portfolio company.

“Limited liability” means that the liability of each shareholder is limited to the amount unpaid by the shareholder on the shares of our company (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

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### ***Anti-Takeover Provisions in our Articles of Association***

Some provisions of our Memorandum and Articles of Association may discourage, delay or prevent a change in control of our company or management that shareholders may consider favorable, including provisions that:

- limit the ability of our shareholders to requisition and convene general meetings of shareholders and to propose special matters for consideration at general meetings; and
- authorize our board of directors to issue shares with preferred, deferred or other special rights or restrictions.

However, under Cayman Islands law, our Board of Directors may only exercise the rights and powers granted to them under our Articles of Association, for what they believe in good faith to be in the best interests of our company.

### ***Protection of Minority Shareholders***

The Grand Court of the Cayman Islands may, on the application of shareholders holding not less than one fifth of our shares in issue, appoint an inspector to examine our affairs and report thereon in a manner as the Grand Court shall direct.

Subject to the provisions of the Companies Act, any shareholder may petition the Grand Court of the Cayman Islands which may make a winding up order, if the court is of the opinion that it is just and equitable that we should be wound up.

Notwithstanding U.S. securities laws and regulations applicable to us, general corporate claims against us by our shareholders must, as a general rule, be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by our Articles of Association.

The Cayman Islands courts ordinarily would be expected to follow English case law precedents, which permit a minority shareholder to commence a representative action against us, or derivative actions in our name, to challenge (1) an act which is *ultra vires* or illegal, (2) an act which constitutes a fraud against the minority and the wrongdoers themselves control us, and (3) an irregularity in the passing of a resolution that requires a qualified (or special) majority.

### ***Differences in Corporate Law***

The Companies Act is modelled after similar laws in England and Wales but does not follow recent statutory enactments in England and Wales. In addition, the Companies Act differs from laws applicable to U.S. corporations and their shareholders. Set forth below is a summary of the significant differences between the provisions of the Companies Act applicable to us and the laws applicable to companies incorporated in the United States and their shareholders.

### ***Mergers and Similar Arrangements***

The Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies.

For these purposes, (a) “merger” means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company and (b) a “consolidation” means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies in the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by either (a) a special resolution of the shareholders of each constituent company; and (b) such other authorization, if any, as may be specified in such constituent company’s articles of association. The plan must be filed with the Registrar of Companies together with a declaration as to: (1) the solvency of the consolidated or surviving company, (2) the merger or consolidation is bona fide and not intended to defraud unsecured creditors of the constituent companies; (3) no petition or other similar proceeding has been filed and remains outstanding and no order or resolution to wind up the company in any jurisdiction, (4) no receiver, trustee, administrator or similar person has been appointed in any jurisdiction and is acting in respect of the constituent company, its affairs or property, (5) no scheme, order, compromise or similar arrangement has been entered into or made in any jurisdiction with creditors; (6) a list of the assets and liabilities of each constituent company; (7) the non-surviving constituent company has retired from any fiduciary office held or will do so; (8) that the constituent company has complied with any requirements under the regulatory laws, where relevant; and (9) an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and published in the Cayman Islands Gazette.

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Dissenting shareholders have the right to be paid the fair value of their shares (which, if not agreed between the parties, may be determined by the Cayman Islands' court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

In addition, there are statutory provisions that facilitate the reconstruction and amalgamation of companies by way of schemes of arrangement. Those provisions provide that if a majority in number representing 75% in value of the creditors or class of creditors (as the case may be) present and voting either in person or by proxy at the meeting, agree to any compromise or arrangement, the compromise or arrangement shall, if sanctioned by the Grand Court of the Cayman Islands, be binding on all the creditors or the class of creditors, as the case may be, and also on the company or, where a company is in the course of being wound up, on the liquidator and contributories of the company. Alternatively, if 75% in value of the members or class of members (as the case may be) present and voting either in person or by proxy at the meeting, agree to any compromise or arrangement, the compromise or arrangement shall, if sanctioned by the Grand Court of the Cayman Islands, be binding on all the members or the class of members, as the case may be, and also on the company or, where a company is in the course of being wound up, on the liquidator and contributories of the company. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder would have the right to express to the court the view that the transaction should not be approved, the court can be expected to approve the arrangement if it satisfies itself that:

- we are not proposing to act illegally or *ultra vires* and the statutory provisions as to majority vote have been complied with;
- the shareholders have been fairly represented at the meeting in question;
- the arrangement is such that may be reasonably approved by an intelligent and honest man of that class acting in respect of his interest; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Act or that would amount to a "fraud on the minority."

The Companies Act also contains a statutory power of compulsory acquisition which may facilitate the "squeeze out" of dissentient minority shareholders upon a tender offer. When a tender offer is made and accepted by holders of 90% of the shares within four months, the offeror may, within a two-month period commencing on the expiration of such four-month period, require the holders of the remaining shares to transfer such shares on the terms of the offer. An objection may be made to the Grand Court of the Cayman Islands but is unlikely to succeed unless there is evidence of fraud, bad faith or collusion.

If the arrangement and reconstruction by way of a scheme of arrangement is thus approved and sanctioned, or if a tender offer is made and accepted, in accordance with the foregoing statutory procedures, a dissenting shareholder would have no rights comparable to appraisal rights, which might otherwise ordinarily be available to dissenting shareholders of U.S. corporations and allow such dissenting shareholders to receive payment in cash for the judicially determined value of their shares.

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### ***Shareholders' Suits***

Class actions are not recognized in the Cayman Islands, but groups of shareholders with identical interests may bring representative proceedings, which are similar. However, a class action suit could nonetheless be brought in a U.S. court pursuant to an alleged violation of U.S. securities laws and regulations.

In principle, we will normally be the proper plaintiff to sue for a wrong done to us as a company, and as a general rule, a derivative action may not be brought by a minority shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority in the Cayman Islands, the Cayman Islands court can be expected to apply and follow the common law principles (namely the rule in *Foss v. Harbottle* and the exceptions thereto, which limits the circumstances in which a shareholder may bring a derivative action on behalf of the company or a personal action to claim loss which is reflective of loss suffered by the company) which permit a minority shareholder to commence a class action against, or derivative actions in the name of, a company to challenge the following:

- a company acts or proposes to act illegally or ultra vires and is therefore incapable of ratification by the shareholder;
- an irregularity in the passing of a resolution which requires a qualified majority;
- an act purporting to abridge or abolish the individual rights of a member; and
- an act which constitutes a fraud on the minority where the wrongdoers are themselves in control of the company.

In the case of a company (not being a bank) having its share capital divided into shares, the Grand Court may, on the application of members holding not less than one fifth of the shares of the company in issue, appoint an inspector to examine the affairs of the company and to report thereon in such manner as the Grand Court shall direct.

### ***Corporate Governance***

Cayman Islands law restricts transactions with directors unless there are provisions in the Articles of Association which provide a mechanism to alleviate possible conflicts of interest. Additionally, Cayman Islands law imposes on directors' duties of care and skill and fiduciary duties to the companies which they serve. Under our Articles of Association, a director must disclose the nature and extent of his material interest in any contract or arrangement, and the interested director may not vote at any meeting on any resolution concerning the interested matter. The interested director shall be counted in the quorum at such meeting and the resolution may be passed by a majority of the disinterested directors present at the meeting, even if the disinterested directors constitute less than a quorum.

### ***Indemnification of Directors and Executive Officers and Limitation of Liability***

The Companies Act does not limit the extent to which a company's articles of association may provide for indemnification of directors and officers, except to the extent that it may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Our Articles of Association provides that we shall indemnify and hold harmless our directors and officers against all actions, proceedings, costs, charges, expenses, losses, damages, liabilities, judgments, fines, settlements and other amounts incurred or sustained by such directors or officers, other than by reason of such person's dishonesty, willful default or fraud, in or about the conduct of our company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such director or officer in defending (whether successfully or otherwise) any civil proceedings concerning our company or its affairs in any court whether in the Cayman Islands or elsewhere. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation. In addition, we entered into indemnification agreements with our directors and executive officers that will provide such persons with additional indemnification beyond that provided in our Articles of Association.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling us under the foregoing provisions, we have been informed that, in the opinion of the SEC, this indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

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### ***Directors' Fiduciary Duties***

As a matter of Cayman Islands law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company. Accordingly, directors owe fiduciary duties to their companies to act *bona fide* in what they consider to be the best interests of the company, to exercise their powers for the purposes for which they are conferred and not to place themselves in a position where there is a conflict between their personal interests and their duty to the company. Accordingly, a director owes a company a duty not to make a profit based on his or her position as director (unless the company permits him or her to do so) and a duty not to put himself or herself in a position where the interests of the company conflict with his or her personal interest or his or her duty to a third party. In addition, directors of a Cayman Islands company must not therefore place themselves in a position in which there is a conflict between their duty to the company and their personal interests. However, this obligation may be varied by the company's articles of association, which may permit a director to vote on a matter in which he has a personal interest provided that he has disclosed that nature of his interest to the Board of Directors. Our Articles of Association provides that a director must disclose the nature and extent of his material interest in any contract or arrangement, and such director may not vote at any meeting on any resolution concerning such interested matter.

A director of a Cayman Islands company also owes to the company duties to exercise independent judgment in carrying out his functions and to exercise reasonable skill, care and diligence. It was previously considered that a director need not exhibit in the performance of his or her duties a greater degree of skill than may reasonably be expected from a person of his or her knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands. A general notice may be given at a meeting of the Board of Directors to the effect that (1) the director is a member or officer of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice in writing be made with that company or firm; or (2) he is to be regarded as interested in any contract or arrangement which may after the date of the notice in writing to the Board of Directors be made with a specified person who is connected with him or her, will be deemed sufficient declaration of interest. This notice shall specify the nature of the interest in question. Following the disclosure being made pursuant to our Articles of Association and subject to any separate requirement under applicable law or the listing rules of The Nasdaq Capital Market, except for certain circumstances as set out in our Articles of Association (including the giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him or by any other person for the benefit of the Company or any of its subsidiaries), a director may not vote in respect of any contract or arrangement in which he or she has a material interest nor in relation thereto shall he or she be counted in the quorum present at the meeting. However, even if a director discloses his interest and is therefore permitted to vote in accordance with our Articles of Association, he must still comply with his duty to act *bona fide* in the best interest of our company.

In comparison, under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself or herself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director act in a manner he or she reasonably believes to be in the best interests of the corporation. He or she must not use his or her corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, a director must prove the procedural fairness of the transaction, and that the transaction was of fair value to the corporation.

### ***Shareholder Proposals***

Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. The Delaware General Corporation Law does not provide shareholders an express right to put any proposal before the annual meeting of shareholders, but Delaware corporations generally afford shareholders an opportunity to make proposals and nominations provided that they comply with the notice provisions in the certificate of incorporation or bylaws. A special meeting may be called by the Board of Directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.

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The Companies Act of the Cayman Islands provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our Articles of Association provide that upon the requisition of shareholders representing not less than 10% of the voting rights entitled to vote at general meetings, our Board will convene a general meeting and put the resolutions so requisitioned to a vote at such meeting. However, our Articles of Association do not provide our shareholders with any right to put any proposals before annual general meetings or extraordinary general meetings not called by such shareholders. As an exempted Cayman Islands company, we are not obliged by law to call shareholders' annual general meetings.

### ***Cumulative Voting***

Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. As permitted under Cayman Islands law, our Articles of Association do not provide for cumulative voting. As a result, our shareholders are not afforded any less protections or rights on this issue than shareholders of a Delaware corporation.

### ***Removal of Directors***

Under our Articles of Association, any of our directors may be removed by ordinary resolution of our shareholders. A director will be removed from office automatically if, among other things, he or she (1) becomes prohibited by law from being a director, (2) becomes bankrupt or makes an arrangement or composition with his creditors, (3) in the opinion of a registered medical practitioner by whom he is being treated he becomes physically or mentally incapable of acting as a director (4) is made subject to any law relating to mental health or incompetence, whether by court order or otherwise or (5) he is absent from meetings of directors for a continuous period of six months without the consent of the other directors.

### ***Transactions with Interested Shareholders***

The Delaware General Corporation Law provides that, unless the corporation has specifically elected not to be governed by this statute, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date that this person becomes an interested shareholder. An interested shareholder generally is a person or a group who or which owns or owned 15% or more of the target's outstanding voting shares or who or which is an affiliate or associate of the corporation and owned 15% or more of the corporation's outstanding voting shares within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which the shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware corporation to negotiate the terms of any acquisition transaction with the target's board of directors.

Cayman Islands law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, it does provide that these transactions must be entered into *bona fide* in the best interests of the company and for a proper corporate purpose and not with the effect of constituting a fraud on the minority shareholders.

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### ***Dissolution; Winding Up***

Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. If the dissolution is initiated by the board of directors, it may be approved by a simple majority of the corporation's outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board. Under Cayman Islands law, a company may be wound up by either an order of the courts of the Cayman Islands or by a special resolution of its members or, if the company is unable to pay its debts as they fall due, by an ordinary resolution of its members. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so.

Under the Companies Act, a company may be wound up by either an order of the courts of the Cayman Islands or by a special resolution of its shareholders or, if the company is unable to pay its debts as they fall due, by an ordinary resolution of its shareholders. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so.

### ***Variation of Rights of Shares***

Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of that class, unless the certificate of incorporation provides otherwise. Under our Articles of Association, if our share capital is divided into more than one class of shares, the rights attached to any such class may, subject to any rights or restrictions for the time being attached to any class, only be varied with the consent in writing of the holders of two-thirds of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

### ***Amendment of Governing Documents***

Under the Delaware General Corporation Law, a corporation's certificate of incorporation may be amended only if adopted and declared advisable by the board of directors and approved by a majority of the outstanding shares entitled to vote, and the bylaws may be amended with the approval of a majority of the outstanding shares entitled to vote and may, if so provided in the certificate of incorporation, also be amended by the board of directors. Under the Companies Act, our Articles of Association may only be amended by special resolution of our shareholders.

### ***Rights of Non-Resident or Foreign Shareholders***

There are no limitations imposed by our Articles of Association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our Articles of Association governing the ownership threshold above which shareholder ownership must be disclosed.

### ***Anti-money Laundering — Cayman Islands***

In order to comply with legislation or regulations aimed at the prevention of money laundering and terrorist financing, we are required to adopt and maintain anti-money laundering procedures and will require subscribers to provide information and evidence to verify their identity, address and source of funds. Where permitted, and subject to certain conditions, we may also delegate the maintenance of our anti-money laundering procedures (including the acquisition of due diligence information) to a suitable person.

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We reserve the right to request such information and evidence as is necessary to verify the identity, address and source of funds of a subscriber.

In the event of delay or failure on the part of the subscriber in producing any information or evidence required for verification purposes, we may refuse to accept the application, in which case any funds received will be returned without interest to the account from which they were originally debited. We will not be liable for any loss suffered by a subscriber arising as a result of a refusal of, or delay in processing, an application from a subscriber if such information and documentation requested has not been provided by the subscriber in a timely manner.

We also reserve the right to refuse to make any redemption payment to a shareholder if our directors or officers suspect or are advised that the payment of redemption proceeds to such shareholder might result in a breach of applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or if such refusal is considered necessary or appropriate to ensure our compliance with any such laws or regulations in any applicable jurisdiction.

If any person resident in the Cayman Islands knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or is involved with terrorism or terrorist property and the information for that knowledge or suspicion came to their attention in the course of their business in the regulated sector, or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to (i) a nominated officer (appointed in accordance with the Proceeds of Crime Act (Revised) of the Cayman Islands) or the Financial Reporting Authority of the Cayman Islands, pursuant to the Proceeds of Crime Act (Revised), if the disclosure relates to criminal conduct or money laundering or (ii) to the Financial Reporting Authority or a police constable or a nominated officer (pursuant to the Terrorism Act (Revised) of the Cayman Islands), if the disclosure relates to involvement with terrorism or terrorist financing and terrorist property. Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

By subscribing for shares, the subscriber consents to the disclosure of any information about them to regulators and others upon request in connection with money laundering and similar matters both in the Cayman Islands and in other jurisdictions.

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**SUPPLEMENTAL AGREEMENT**

This Supplemental Agreement (“Supplemental Agreement”) is made as of December 17, 2025 (the “Effective Date”), by and between Youxin Technology Ltd, a Cayman Islands exempted company (the “Company”), and Shaozhang Lin (“Executive”), and amends and supplements that certain Employment Agreement dated April 06, 2023 (the “Employment Agreement”).

**RECITALS**

WHEREAS, Executive serves as the Company’s Chief Executive Officer as applicable; and

WHEREAS, The Company and Executive desire to clarify and confirm their mutual understanding that Executive was never to receive compensation from the Company for services performed prior to the Company’s initial public offering (the “IPO”); and

WHEREAS, the parties further wish to eliminate any ambiguity in the Employment Agreement regarding compensation for pre-IPO services and to set forth and confirm Executive’s waiver and release of any such compensation claims; and

WHEREAS, The Company and Executive also wish to clarify that, effective January 1, 2026, the Executive’s US\$8,000 per month salary will be paid solely by Guangzhou Youxin Technology Co., Ltd. or such other operating subsidiary designated by the Company (“Designated Subsidiary”) and that Youxin Technology Ltd will no longer pay such salary.

NOW, THEREFORE, in consideration of the mutual covenants herein, the parties agree as follows:

**1. CLARIFICATION REGARDING PRE-IPO COMPENSATION**

1.1 The Company and Executive acknowledge and agree that no salary, bonus, equity compensation, severance, or other form of remuneration was intended to accrue or become payable to Executive for services performed prior to the IPO, except for amounts previously paid by Guangzhou Youxin Technology Co., Ltd. (the “Pre-IPO Payments”). Executive acknowledges that no additional amounts are owed by the Company or any of its affiliates with respect to the Pre-IPO Payments.

1.2 Superseding Clarification. To the extent that the Employment Agreement or any prior understanding may imply that Executive had no right to pre-IPO compensation other than the Pre-IPO Payments, such provisions are hereby clarified and amended to confirm that no such compensation was intended, has accrued, or will be paid.

**2. WAIVER OF CLAIMS RELATED TO PRE-IPO COMPENSATION**

2.1 Executive hereby irrevocably and unconditionally waives, releases, and forever disclaims any and all claims (known or unknown, fixed or contingent) relating to compensation of any kind for services performed prior to the IPO, including but not limited to salary, bonuses, equity, severance, expense reimbursement (other than properly documented business expenses), or any other remuneration, except for the Pre-IPO Payments.

**3. AMENDMENT REGARDING EXECUTIVE SALARY**

3.1 Salary from Subsidiaries. Effective January 1, 2026, Executive shall receive his salary and cash compensation under the terms of the Employment Agreement solely from the Designated Subsidiary.

3.2 Effective January 1, 2026, Youxin Technology Ltd shall not be obligated to pay compensation to any Executive under the Employment Agreement.

**4. PRESERVATION OF POST-IPO RIGHTS**

Except as expressly modified by this Supplemental Agreement, all compensation rights on and after the IPO under the Employment Agreement remain in full force and effect. The Company has fully paid the Executive’s salary since January 1, 2025.

**5. NO ADMISSION**

Nothing contained in this Supplemental Agreement constitutes admission by either party of liability or wrongdoing.

**6. GOVERNING LAW**

This Supplemental Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to conflict-of-laws principles.

**7. ENTIRE AGREEMENT**

This Supplemental Agreement, together with the Employment Agreement as amended hereby, contains the entire agreement of the parties with respect to the subjects addressed herein.

*[Remainder of this page has been intentionally left blank.]*

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*[Signature page to the Supplemental Agreement]*

IN WITNESS WHEREOF, the parties have executed this Supplemental Agreement as of the Effective Date.

**YOUXIN TECHNOLOGY LTD**

By: /s/ Shaozhang Lin  
Name: Shaozhang Lin  
Title: Chief Executive Officer

**EXECUTIVE**

/s/ Shaozhang Lin  
Name Shaozhang Lin

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**WAIVER AND RELEASE OF COMPENSATION CLAIMS**

This Waiver and Release of Compensation Claims (this “Waiver”) is made as of December 17, 2025 (the “Effective Date”), by and between Youxin Technology Ltd, a Cayman Islands exempted company (the “Company”), and the undersigned executive (“Executive”).

**RECITALS**

WHEREAS, Executive is employed by the Company and serves as its Chief Executive Officer, as applicable;

WHEREAS, the Company and Executive are party to that certain Employment Agreement dated April 06, 2023 (as amended, supplemented or otherwise modified from time to time, the “Employment Agreement”);

WHEREAS, the Company and Executive have entered into, or are concurrently entering into, a supplemental agreement to the Employment Agreement (the “Supplemental Agreement”) to clarify that that, effective January 1, 2026, the Executive’s US\$8,000 per month salary will be paid solely by Guangzhou Youxin Technology Co., Ltd. or such other operating subsidiary designated by the Company (“Designated Subsidiary”) and that Youxin Technology Ltd will no longer pay such salary; and

WHEREAS, in connection with the Supplemental Agreement, the Company and Executive desire that Executive provide this separate Waiver in favor of the Company.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants set forth herein and in the Supplemental Agreement, and intending to be legally bound hereby, the parties agree as follows:

**1. WAIVER OF CLAIMS RELATING TO PRE-IPO COMPENSATION**

Waiver. Executive hereby irrevocably and unconditionally waives, releases, disclaims and forever relinquishes any and all claims, rights, entitlements, demands, liabilities and causes of action of any kind or nature whatsoever, whether known or unknown, suspected or unsuspected, fixed or contingent, in law or in equity, that Executive ever had, now has or may hereafter have against the Company or any of its subsidiaries or affiliates, arising out of or relating to any compensation for services performed prior to the IPO, except for compensation previously and validly paid to Executive by Guangzhou Youxin Technology Co., Ltd.; provided, however, that no additional amounts are or will become owed by the Company or any affiliate in connection with such compensation. (“Pre-IPO Payments Claims”).

**2. WAIVER OF CLAIMS RELATING TO AMENDMENT OF SALARY ARRANGEMENT**

2.1 Amendment Acknowledgment. Effective January 1, 2026, Executive acknowledge and agrees that the Executive shall receive his salary and cash compensation under the terms of the Employment Agreement solely from Guangzhou Youxin Technology Co., Ltd. or such other operating subsidiary designated by the Company (“Designated Subsidiary”).

2.2 Waiver. Executive hereby irrevocably and unconditionally waives, releases, disclaims and forever relinquishes any and all claims, rights, entitlements, demands, liabilities and causes of action of any kind or nature whatsoever, whether known or unknown, suspected or unsuspected, fixed or contingent, in law or in equity, that Executive ever had, now has or may hereafter have against the Company or any of its subsidiaries or affiliates, arising out of or relating to payment of the Executive’s Salary under the Employment Agreement from any entity other than the Designated Subsidiary.

2.3 No Amounts Owed. Executive acknowledges and agrees that the Company is current on all payments to the Executive under the Employment Agreement.

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### **3. NO EXISTING OR FUTURE CLAIMS**

3.1 No Pending Claims. Executive represents and warrants that Executive has not commenced, filed or initiated, and is not a party to, any claim, charge, complaint, action, arbitration or other proceeding against the Company or any of its subsidiaries or affiliates based upon or relating to the Executive's compensation under the Employment Agreement.

3.2 Permanent Bar. Executive acknowledges and agrees that this Waiver is knowing and voluntary and that, from and after the Effective Date, Executive shall be permanently barred from commencing, filing or asserting any Pre-IPO Payment Claims or any claim described in Section 2.2 against the Company or any of its subsidiaries or affiliates, whether by way of complaint, counterclaim, defense, setoff or otherwise.

### **4. NO LIMITATION ON POST-IPO COMPENSATION**

Nothing in this Waiver is intended to, nor shall it, waive or release any right of Executive to compensation or benefits that are expressly provided under the Employment Agreement, the Supplemental Agreement or any other written arrangement approved by the Company's Board of Directors or its compensation committee with respect to periods on and after the IPO.

### **5. NO ADMISSION**

Nothing contained in this Waiver or in the Supplemental Agreement shall be deemed or construed as an admission by the Company or any of its subsidiaries or affiliates of any liability, wrongdoing or violation of law of any kind.

### **6. GOVERNING LAW**

This Waiver shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to any choice-of-law or conflict-of-laws rules that would cause the application of the laws of any jurisdiction other than the State of New York.

### **7. MISCELLANEOUS**

7.1 Binding Effect. This Waiver shall be binding upon the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and permitted assigns.

7.2 Entire Agreement. This Waiver, together with the Employment Agreement and the Supplemental Agreement, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior or contemporaneous understandings relating thereto.

7.3 Amendments. This Waiver may not be amended or modified except in a writing executed by both the Company and Executive.

7.4 Counterparts. This Waiver may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

*[Remainder of this page has been intentionally left blank.]*

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*[Signature page to the Waiver]*

IN WITNESS WHEREOF, the parties have executed this Waiver as of the Effective Date.

**YOUXIN TECHNOLOGY LTD**

By: /s/ Shaozhang Lin  
Name: Shaozhang Lin  
Title: Chief Executive Officer

**EXECUTIVE**

/s/ Shaozhang Lin  
Name Shaozhang Lin

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**SUPPLEMENTAL AGREEMENT**

This Supplemental Agreement (“Supplemental Agreement”) is made as of December 17, 2025 (the “Effective Date”), by and between Youxin Technology Ltd, a Cayman Islands exempted company (the “Company”), and Xirui Guo (“Executive”), and amends and supplements that certain Employment Agreement dated April 06, 2023 (the “Employment Agreement”).

**RECITALS**

WHEREAS, Executive serves as the Company’s Chief Financial Officer as applicable; and

WHEREAS, The Company and Executive desire to clarify and confirm their mutual understanding that Executive was never to receive compensation from the Company for services performed prior to the Company’s initial public offering (the “IPO”); and

WHEREAS, the parties further wish to eliminate any ambiguity in the Employment Agreement regarding compensation for pre-IPO services and to set forth and confirm Executive’s waiver and release of any such compensation claims; and

WHEREAS, The Company and Executive also wish to clarify that, effective January 1, 2026, the Executive’s US\$8,000 per month salary will be paid solely by Guangzhou Youxin Technology Co., Ltd. or such other operating subsidiary designated by the Company (“Designated Subsidiary”) and that Youxin Technology Ltd will no longer pay such salary.

NOW, THEREFORE, in consideration of the mutual covenants herein, the parties agree as follows:

**1. CLARIFICATION REGARDING PRE-IPO COMPENSATION**

1.1 The Company and Executive acknowledge and agree that no salary, bonus, equity compensation, severance, or other form of remuneration was intended to accrue or become payable to Executive for services performed prior to the IPO.

1.2 Superseding Clarification. To the extent that the Employment Agreement or any prior understanding may imply that Executive had no right to pre-IPO compensation, such provisions are hereby clarified and amended to confirm that no such compensation was intended, has accrued, or will be paid.

**2. WAIVER OF CLAIMS RELATED TO PRE-IPO COMPENSATION**

2.1 Executive hereby irrevocably and unconditionally waives, releases, and forever disclaims any and all claims (known or unknown, fixed or contingent) relating to compensation of any kind for services performed prior to the IPO, including but not limited to salary, bonuses, equity, severance, expense reimbursement (other than properly documented business expenses), or any other remuneration.

**3. AMENDMENT REGARDING EXECUTIVE SALARY**

3.1 Salary from Subsidiaries. Effective January 1, 2026, Executive shall receive his salary and cash compensation under the terms of the Employment Agreement solely from the Designated Subsidiary.

3.2 Effective January 1, 2026, Youxin Technology Ltd shall not be obligated to pay compensation to any Executive under the Employment Agreement.

**4. PRESERVATION OF POST-IPO RIGHTS**

Except as expressly modified by this Supplemental Agreement, all compensation rights on and after the IPO under the Employment Agreement remain in full force and effect. The Company has fully paid the Executive’s salary since January 1, 2025.

**5. NO ADMISSION**

Nothing contained in this Supplemental Agreement constitutes admission by either party of liability or wrongdoing.

**6. GOVERNING LAW**

This Supplemental Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to conflict-of-laws principles.

**7. ENTIRE AGREEMENT**

This Supplemental Agreement, together with the Employment Agreement as amended hereby, contains the entire agreement of the parties with respect to the subjects addressed herein.

*[Remainder of this page has been intentionally left blank.]*

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*[Signature page to the Supplemental Agreement]*

IN WITNESS WHEREOF, the parties have executed this Supplemental Agreement as of the Effective Date.

**YOUXIN TECHNOLOGY LTD**

By: /s/ Shaozhang Lin  
Name: Shaozhang Lin  
Title: Chief Executive Officer

**EXECUTIVE**

/s/ Xirui Guo  
Name Xirui Guo

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**WAIVER AND RELEASE OF COMPENSATION CLAIMS**

This Waiver and Release of Compensation Claims (this “Waiver”) is made as of December 17, 2025 (the “Effective Date”), by and between Youxin Technology Ltd, a Cayman Islands exempted company (the “Company”), and the undersigned executive (“Executive”).

**RECITALS**

WHEREAS, Executive is employed by the Company and serves as its Chief Financial Officer, as applicable;

WHEREAS, the Company and Executive are party to that certain Employment Agreement dated April 06, 2023 (as amended, supplemented or otherwise modified from time to time, the “Employment Agreement”);

WHEREAS, the Company and Executive have entered into, or are concurrently entering into, a supplemental agreement to the Employment Agreement (the “Supplemental Agreement”) to clarify that that, effective January 1, 2026, the Executive’s US\$8,000 per month salary will be paid solely by Guangzhou Youxin Technology Co., Ltd. or such other operating subsidiary designated by the Company (“Designated Subsidiary”) and that Youxin Technology Ltd will no longer pay such salary; and

WHEREAS, in connection with the Supplemental Agreement, the Company and Executive desire that Executive provide this separate Waiver in favor of the Company.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants set forth herein and in the Supplemental Agreement, and intending to be legally bound hereby, the parties agree as follows:

**1. WAIVER OF CLAIMS RELATING TO PRE-IPO COMPENSATION**

Waiver. Executive hereby irrevocably and unconditionally waives, releases, disclaims and forever relinquishes any and all claims, rights, entitlements, demands, liabilities and causes of action of any kind or nature whatsoever, whether known or unknown, suspected or unsuspected, fixed or contingent, in law or in equity, that Executive ever had, now has or may hereafter have against the Company or any of its subsidiaries or affiliates, arising out of or relating to any compensation for services performed prior to the IPO.

**2. WAIVER OF CLAIMS RELATING TO AMENDMENT OF SALARY ARRANGEMENT**

2.1 Amendment Acknowledgment. Effective January 1, 2026, Executive acknowledge and agrees that the Executive shall receive his salary and cash compensation under the terms of the Employment Agreement solely from Guangzhou Youxin Technology Co., Ltd. or such other operating subsidiary designated by the Company (“Designated Subsidiary”).

2.2 Waiver. Executive hereby irrevocably and unconditionally waives, releases, disclaims and forever relinquishes any and all claims, rights, entitlements, demands, liabilities and causes of action of any kind or nature whatsoever, whether known or unknown, suspected or unsuspected, fixed or contingent, in law or in equity, that Executive ever had, now has or may hereafter have against the Company or any of its subsidiaries or affiliates, arising out of or relating to payment of the Executive’s Salary under the Employment Agreement from any entity other than the Designated Subsidiary.

2.3 No Amounts Owed. Executive acknowledges and agrees that the Company is current on all payments to the Executive under the Employment Agreement.

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### **3. NO EXISTING OR FUTURE CLAIMS**

3.1 No Pending Claims. Executive represents and warrants that Executive has not commenced, filed or initiated, and is not a party to, any claim, charge, complaint, action, arbitration or other proceeding against the Company or any of its subsidiaries or affiliates based upon or relating to the Executive's compensation under the Employment Agreement.

3.2 Permanent Bar. Executive acknowledges and agrees that this Waiver is knowing and voluntary and that, from and after the Effective Date, Executive shall be permanently barred from commencing, filing or asserting any Pre-IPO compensation claims or any claim described in Section 2.2 against the Company or any of its subsidiaries or affiliates, whether by way of complaint, counterclaim, defense, setoff or otherwise.

### **4. NO LIMITATION ON POST-IPO COMPENSATION**

Nothing in this Waiver is intended to, nor shall it, waive or release any right of Executive to compensation or benefits that are expressly provided under the Employment Agreement, the Supplemental Agreement or any other written arrangement approved by the Company's Board of Directors or its compensation committee with respect to periods on and after the IPO.

### **5. NO ADMISSION**

Nothing contained in this Waiver or in the Supplemental Agreement shall be deemed or construed as an admission by the Company or any of its subsidiaries or affiliates of any liability, wrongdoing or violation of law of any kind.

### **6. GOVERNING LAW**

This Waiver shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to any choice-of-law or conflict-of-laws rules that would cause the application of the laws of any jurisdiction other than the State of New York.

### **7. MISCELLANEOUS**

7.1 Binding Effect. This Waiver shall be binding upon the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and permitted assigns.

7.2 Entire Agreement. This Waiver, together with the Employment Agreement and the Supplemental Agreement, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior or contemporaneous understandings relating thereto.

7.3 Amendments. This Waiver may not be amended or modified except in a writing executed by both the Company and Executive.

7.4 Counterparts. This Waiver may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

*[Remainder of this page has been intentionally left blank.]*

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*[Signature page to the Waiver]*

IN WITNESS WHEREOF, the parties have executed this Waiver as of the Effective Date.

**YOUXIN TECHNOLOGY LTD**

By: /s/ Shaozhang Lin  
Name: Shaozhang Lin  
Title: Chief Executive Officer

**EXECUTIVE**

/s/ Xirui Guo  
Name Xirui Guo

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**List of Subsidiaries**

<b>Subsidiaries</b>	<b>Place of Incorporation</b>
Youxin Cloud (BVI) Ltd	British Virgin Islands
Youxin Cloud (HK) Limited	Hong Kong SAR
Hainan Youxin Mutual Enterprise Management Co., Ltd.	People's Republic of China
Guangzhou Youxin Technology Co., Ltd.	People's Republic of China

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**Certification of Principal Executive Officer  
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002  
and Securities and Exchange Commission Release 34-46427**

I, Shaozhang Lin, certify that:

(1) I have reviewed this Form 20-F of Youxin Technology Ltd.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 28, 2026

/s/ Shaozhang Lin  
Shaozhang Lin

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**Certification of Principal Financial Officer  
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002  
and Securities and Exchange Commission Release 34-46427**

I, Xirui Guo, certify that:

(1) I have reviewed this Form 20-F of Youxin Technology Ltd.;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 28, 2026

*/s/ Xirui Guo*

Xirui Guo

Chief Financial Officer (Principal Financial Officer)

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**CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906 OF  
THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Youxin Technology Ltd. (the "Registrant") on Form 20-F for the year ended September 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned certifies pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report, fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: January 28, 2026

*/s/ Shaozhang Lin*

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Shaozhang Lin  
Chief Executive Officer  
(Principal Executive Officer)

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**CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906 OF  
THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Youxin Technology Ltd. (the "Registrant") on Form 20-F for the year ended September 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned certifies pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report, fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: January 28, 2026

*/s/ Xirui Guo*

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Xirui Guo  
Chief Financial Officer  
(Principal Accounting Officer)

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**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT**

We consent to the incorporation by reference in this Registration Statement on Form S-8 of our report dated January 28, 2026 relating to the financial statements appearing in the Annual Report on Form 20-F of Youxin Technology Ltd for the year ended September 30, 2025.

/s/ Marcum Asia CPAs LLP

New York, New York  
January 28, 2026

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