OVERVIEW

Who We Are

We are a world-leading international trade comprehensive services provider. Guided by our mission to make trade easier, we provide an integrated trade services platform for micro, small and medium-sized enterprises worldwide.

Our core physical marketplace, Yiwu China Commodities City, is a large-scale market cluster that includes the International Trade Mart Districts 1 to 5, the Global Digital Trade Center, the Huangyuan Market, the International Production Materials Market and the Binwang Market. According to CIC, we are the world's largest international trade comprehensive services platform in terms of GMV in 2025, as well as the world's largest small commodities wholesale marketplace in terms of number of merchants in 2025. As of December 31, 2025, our marketplaces boasted a total lettable area of 1.6 million sq.m., accommodating approximately 80,000 merchants and offering approximately 2.1 million SKUs across 26 major industry categories, forming the core of our services ecosystem and serving as the fundamental source of traffic and scale across our platform.

Building on our market operation capabilities, we have extended our services across the trade value chain. Our business now spans digital trade services, warehousing services, trade-related financial services, domestic and cross-border trading, and new retail operations, together with exhibition and convention services, hospitality and ancillary catering services, as well as ancillary facility development and sales. Collectively, these businesses support the development of an integrated trade ecosystem that combines online and offline channels and facilitates the circulation of goods across domestic and international trade flows.

Our headquarters is located in Yiwu, Zhejiang Province, widely recognized as the world's "capital of small commodities." Yiwu's long-standing development model, characterized by "building the city through the market," has resulted in a deep alignment between local industrial policy and the sustained prosperity of the small commodities market. As the developer and operator of the Yiwu marketplaces, we not only benefit from the city's stable business environment and distinctive policy support, but also continuously and actively contribute to, and play an active role in, the region's long-term economic development.

Over years, we have achieved a number of milestones across our business lines, as outlined below:

Notes:

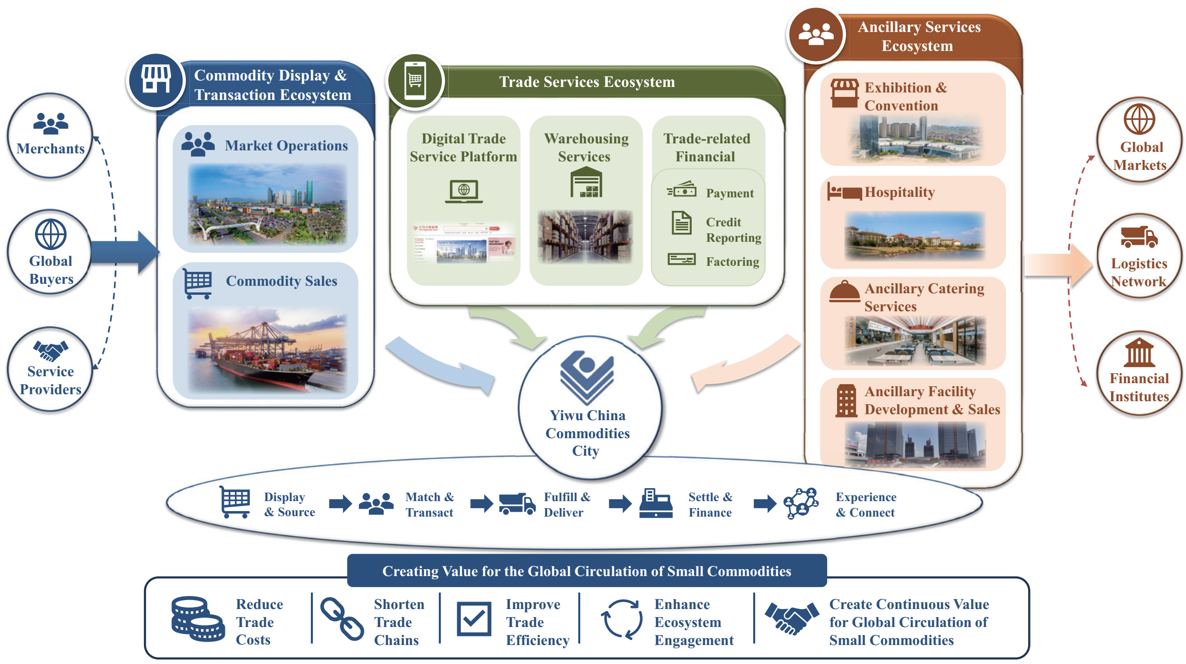
(1) By total number of merchants in 2025, according to CIC.

(2) By GMV in 2025, according to CIC.

(3) As of December 31, 2025.

Our Business Model

Our business model is built around three closely integrated ecosystems — the commodity display and transaction ecosystem, the trade services ecosystem, and the ancillary services ecosystem. Together, these ecosystems work in concert to reduce trade-related costs, shorten trade chains and improve overall trade efficiency, continuously creating value for the global circulation of small commodities. Through their interaction and mutual reinforcement, these business ecosystems form a closed-loop trade service model that integrates online and offline operations. The following graphic illustrates our business model:



Commodity Display and Transaction Ecosystem

Our commodity display and transaction ecosystem, primarily consisting of market operations and commodity sales, forms the cornerstone of our business. For market operations, we adopt a booth leasing model under which we centrally manage and operate the marketplaces of Yiwu China Commodities City, and provide operational services that underpin the operations of this stable and reliable physical hub for commodity display and transactions. In addition, leveraging the extensive pool of primary sources and robust supply chain resources aggregated within our marketplaces, we have built a principal-based commodity trading business, through which we actively engage in both domestic and cross-border trading and operate our proprietary new retail brand, ICMALL, that offers a range of curated products sourced globally. By directly participating in trade activities, we further promote transaction circulation and enhance the depth and effectiveness of our trade ecosystem.

Trade Services Ecosystem

Our trade services ecosystem, primarily consisting of our online service platform, warehousing services, and trade-related financial services, provides the core infrastructure for improving trade efficiency. In transaction matching, we operate *Chinagoods*. Centered on the integration and utilization of trade data, *Chinagoods* connects approximately 50,000 merchants operating physical booths within our marketplaces, serving as an extension of our physical marketplaces and enabling precise matching between supply and demand across both online and offline channels. In warehousing, leveraging our self-operated warehouses, including Yiwu Global Yida Supply Chain Industrial Park, International

Logistics Market (Phase 1) and Yiwu Cross-Border E-commerce Logistics Park in China, as well as overseas warehouses in Spain and the Czech Republic, we have built multi-layer, end-to-end warehousing and fulfillment network with full process visibility, supporting efficient cargo circulation and delivery. In settlement and financing, we provide secure and efficient payment, risk management and financing support through Yiwu Pay, together with our credit reporting and factoring services. These offerings address working capital and settlement challenges commonly faced in small commodity trade and support the smooth completion of transactions.

Ancillary Services Ecosystem

Our ancillary services ecosystem, primarily comprising our exhibition and convention services, hospitality and ancillary catering services, as well as ancillary facility development and sales, plays an important role in enhancing customer experience and strengthening ecosystem engagement. We organize and host a wide range of trade exhibitions and fairs and operate a portfolio of hotels, service apartments and ancillary catering brands. Through the integrated "exhibition-plus-trade" operational strategy, we provide global merchants and buyers with one-stop services spanning business matchmaking, accommodation, catering and conference facilities, creating more commercial opportunities and a seamless trade experience. In addition, we develop and sell ancillary facilities, including marketplace-related and warehousing facilities, to expand functional capacity for merchants, trade service providers and related market participants, further deepening ecosystem stickiness and supporting sustainable growth of our integrated trade platform.

Our Global Footprint

In response to the globalization of Chinese commodities, we have implemented a structured overseas expansion strategy under the framework of "1+5+2+M": establishing one overseas headquarters as the coordination hub, deploying five overseas expansion models, collaborating with two types of trade-enabling service providers, namely supply chain and finance technology, and maintaining an open network of "more ('M')" global partners.

"One" overseas coordination hub. We have developed Hong Kong as our overseas headquarters and primary hub for overseas operations and capital management. Leveraging Hong Kong's position as an international financial center, its free trade regime and mature legal environment, this hub is responsible for coordinating overseas business development, cross-border investment and financing activities, brand management and risk control, and serves as a central platform supporting the implementation of our overseas expansion.

"Five" overseas expansion models. We have implemented five overseas expansion models, namely the overseas expansion of sub-markets, warehouses, showrooms, exhibitions and *Chinagoods*, through which we have established commodity display and supply chain networks across 37 countries and regions worldwide.

- *Overseas sub-markets* replicate the Yiwu market ecosystem overseas by exporting its integrated model covering commodities, merchants, trading venues and supply chains, together with standardized operational and management capabilities. These sub-markets provide functions including commodity display and trading, warehousing and distribution, business matching and brand incubation.

- *Overseas warehouses* support cross-border logistics fulfillment through digitalized and centralized operations and form part of a globally coordinated logistics network characterized by the "two-warehouses-one-route" model.

- *Overseas showrooms* serve as offline exhibition and sourcing venues, providing services including commodity display, buyer-seller matching and trade fulfillment for Yiwu-sourced commodities.

- *Overseas exhibitions* are established through participation in established international exhibitions or through the organization of specialized overseas exhibitions, extending the reach of the Yiwu Fair into overseas markets.

- *Chinagoods overseas platforms* integrate overseas e-commerce platforms and local trade channels and are operated through country-specific sites and independent platforms, facilitating the digital overseas expansion of Yiwu merchants and brands.

Trade-enabling infrastructure. To support cross-border trade fulfillment, we have developed infrastructure combining payment and logistics services. On the payment side, we operate Yiwu Pay, an efficient cross-border payment platform with business coverage across 178 countries and regions worldwide, and actively explore participation in emerging multilateral payment infrastructure, including central bank digital currency initiatives. On the logistics side, we cooperate with our associate Zhijie Yuangang to establish end-to-end logistics solutions. Through the integration of trade information flow, capital flow and logistics flow, we provide merchants with streamlined and visualized cross-border trade fulfillment support.

Multi-party collaboration under the "M" (More) framework. We continue to expand cooperation models and selectively partner with global counterparties that share aligned values, interoperable businesses, and complementary strengths. Through deep collaboration and efficient coordination, we aim to build an open and scalable global development ecosystem and further enhance the international competitiveness and our brand influence.

Our Market Opportunities

Leveraging our leading position within the global commodities trading network, extensive product coverage, international footprint and integrated ecosystem, we are well positioned to capture emerging opportunities in both global and China's international trade markets.

Import and Export Opportunities Driven by Policy Support

The sustained growth of global and China's trade continues to present significant market opportunities. According to CIC, the total value of China's international trade reached RMB45.5 trillion in 2025, comprising approximately RMB18.5 trillion of imports and RMB27.0 trillion of exports, and is expected to continue growing at a CAGR of 6.7% and 6.3%, respectively, from 2025 to 2030.

Within the export market, policy measures have reduced structural barriers to the export of small commodities. In particular, the government's introduction of the Market Procurement Trade Model (市場採購貿易模式) has materially lowered the procedural thresholds for eligible export transactions by simplifying customs declarations, inspection and tax-related processes. Yiwu, as the pilot city at the initial stage of implementation, has benefited from early-mover advantages under this regime. In addition, Yiwu's trade activities are conducted on the basis of several national-level open platforms, including the free trade experiment zone, the national comprehensive cross-border e-commerce pilot zone, the comprehensive bonded zone and the pilot zone for comprehensive international trade reform, further reducing customs clearance and fulfillment costs for small commodity exports.

Meanwhile, the import market is also experiencing accelerated development, driven by consumer demand and policy support. As an early pilot participant under *the Overall Plan for Deepening Comprehensive International Trade Reform* (《浙江省義烏市深化國際貿易綜合改革總體方案》) in Yiwu, Zhejiang Province, we actively promoted the implementation of the positive list management regime for imported daily consumer goods in 2025. This regime initially covered 19 major categories and formally included higher value-added products such as cosmetics and health supplements.

On this basis, building on our strengths in both export and import markets, we are exploring a more integrated import-export model. Through our platform, we aim to aggregate global imported goods and facilitate their distribution across markets worldwide, transitioning from predominantly one-way trade to a more diversified and interconnected trading model. This approach enables us to capture growth opportunities across global trade flows and further reinforce our role as an international trade hub.

Digital Trade and AI-Enabled Improvements in Trade Fulfillment Efficiency

Digital trade has become an increasingly important driver of global trade growth. According to CIC, by GMV, the market size of China's international trade comprehensive services platform industry reached RMB2.5 trillion in 2025 and is expected to grow to RMB3.9 trillion by 2030, representing a CAGR of 9.7% from 2025 to 2030. The level of digitalization in China's international trade continues to increase, with the digitalization rate rising from 16.0% in 2020 to 20.6% in 2025 and projected to reach 26.1% by 2030. As one of the earlier platforms to develop online B2B trade services, we have benefited from first-mover and scale advantages, enabling us to capture growth opportunities arising from the continued development of digital trade.

In parallel, rapid advances in artificial intelligence are reshaping traditional trade processes. We have been actively applying AI technologies to trade-related scenarios through the development of "World Yiwu", with AIGC technologies deployed at scale across merchant operations. Our AI-enabled products and services have been widely adopted by merchants on *Chinagoods*, assisting in improving order fulfillment efficiency and reducing customer inquiry response times. By leveraging technology infrastructure to support merchants in cost reduction, operational efficiency and customer retention, we strengthen the overall vitality of our platform ecosystem and support sustainable revenue growth.

Overseas Expansion and Growth Opportunities in Emerging Markets

The increasing integration of regional economic and trade cooperation is reshaping global trade flows for consumer goods. Benefiting from tariff concessions and trade facilitation measures under the Regional Comprehensive Economic Partnership ("**RCEP**") (《區域全面經濟夥伴關係協定》), Chinese small commodities have become increasingly competitive in emerging markets. With sustained demand growth across Europe, Latin America and ASEAN markets, we are accelerating efforts to translate domestic supply chain advantages into transaction scale across regional markets and to build a cross-border trade ecosystem connecting domestic and overseas markets.

In addition, we continue to advance our global expansion strategy by proactively extending trade services, supply chain infrastructure and commodity display and trading facilities into overseas markets. By bringing the Yiwu ecosystem closer to overseas buyers and enabling direct engagement with Yiwu merchants and products, we seek to deepen the global recognition of the Yiwu brand and capture incremental growth beyond overall market expansion.

Our Financial Performance

During the Track Record Period, we maintained an industry-leading scale while delivering strong financial performance. Our revenue increased by 37.2% from RMB11,280.8 million in 2023 to RMB15,474.9 million in 2024, and further grew by 27.4% to RMB19,707.4 million in 2025, representing a CAGR of 32.2% from 2023 to 2025. Our net profit amounted to RMB2,681.4 million, RMB3,078.2 million and RMB4,215.7 million in 2023, 2024 and 2025, respectively, representing a CAGR of 25.4% over the same period. Our net profit margin remained above 19% in each year during the Track Record Period.

OUR STRENGTHS

World-Leading Operator of Small Commodity Trading Infrastructure with Strong Barriers to Entry

Boasting industry-leading breadth of product categories and concentration of merchants and buyers, we are the world's largest international trade comprehensive services platform in terms of GMV in 2025, as well as the world's largest small commodities wholesale marketplace in terms of number of merchants in 2025, according to CIC. Our Yiwu China Commodities City has been recognized by organizations such as the United Nations and the World Bank as the largest small commodity wholesale market in the world. The long-established market brand has effectively reduced trust and transaction costs in cross-border trade, making our physical marketplaces a key sourcing channel for overseas buyers entering China. We maintain a diverse product structure and conduct trade with counterparties across all five continents. This diverse exposure reduces reliance on any single industry or region and enhances our resilience to cyclical and regional market fluctuations.

Significant Scale and Aggregation Effects

Centered on the Yiwu China Commodities City as our core asset, we have built a physical trading network that is difficult to replicate. According to CIC, our Yiwu China Commodities City ranked first among peers in terms of number of merchants in 2025. According to the same source, by GMV in 2025, Yiwu China Commodities City had a market share of 13.0% in China's international trade comprehensive services platform industry and 38.0% in China's market procurement trade industry, representing increases of 2.6% and 14.9%, respectively, compared with 2020, which significantly outpaced that of other industry participants.

Compared with similar markets globally, our full-category, one-stop sourcing model is a key differentiator. Our marketplaces offer both traditional small commodities and products in selected emerging sectors such as intelligent devices. Through the integration of market infrastructure with industrial clusters, we connect a large amount of micro, small and medium-sized enterprises with buyers from over 230 countries and regions worldwide. This enables buyers to complete multi-category procurement within a single market, improving sourcing efficiency and reducing procurement costs. Supported by a comprehensive commodity system and a well-developed industrial base, the marketplaces have maintained average daily foot traffic of over 200,000 visitors each year. During the Track Record Period, the average booth occupancy rate remained above 95%, reflecting sustained market activity.

Self-Reinforcing Aggregation Forms a Sustainable Physical Barrier

Our core competitive strength is derived from a two-sided aggregation effect, which reinforces a self-sustaining operating cycle and creates a durable physical barrier to entry. A large and stable supply of goods at our marketplaces attracts global buyers to concentrate their sourcing activities within the market, while growing procurement demand continues to attract high-quality merchants and manufacturers, further enriching product offerings and industrial support. The continued aggregation of both supply and demand improves transaction matching efficiency and reduces overall operating costs for merchants through scale effects, reinforcing Yiwu's position as a globally competitive sourcing hub for small commodities.

We provide micro, small and medium-sized enterprises with cost-efficient access to global buyers. In addition, the ongoing development of ancillary services, including digital trade platforms, warehouses, financial services, exhibitions, and ancillary facility development and sales, further lowers operating costs for merchants. Many merchants have established deep-rooted supply chains and production networks in Yiwu and surrounding regions, resulting in relatively high relocation costs and enhancing the long-term stability of the market ecosystem.

A Large Base of Experienced Merchants as a Foundation of our Marketplaces

Between 2020 and 2025, our average merchant lease renewal rate remained above 95%. Through long-term participation in the market, these merchants have developed strong capabilities in identifying global consumption trends, rapidly iterating product offerings and integrating upstream supply chains, enabling the market to consistently meet diversified global sourcing needs.

Brand Recognition Enhancing International Trade Influence

Yiwu China Commodities City is the first commodity trading market in China to be recognized as a well-known trademark by the State Administration for Industry and Commerce, according to CIC. Through continued project development, event-based promotion and overseas expansion, we have further strengthened brand recognition. During the 2026 Spring Festival, the Global Digital Trade Center served as a sub-venue of the national Spring Festival Gala, generating global exposure to a broad international audience. The Yiwu brand has become closely associated with China's role as a major small commodity trading hub, enhancing its recognition in international trade markets and supporting continued aggregation of merchants and buyers globally.

An Inimitable Comprehensive Trade Service Platform Built Around Our Physical Market Operations

Anchored by our core physical market operations, we have developed an integrated trade ecosystem through the deep integration of online and offline channels, the establishment of end-to-end cross-border trade fulfillment capabilities, and the provision of comprehensive ancillary trade services. This ecosystem is difficult to replicate and enables us to provide merchants and buyers globally with end-to-end and integrated trade solutions across the full trade value chain.

Online-Offline Integration Strengthening Digital Trade Capabilities

Leveraging our established position as the operator of the world's largest small commodity wholesale market, we have responded to the global trend toward trade digitalization by developing *Chinagoods*, an integrated B2B digital trade services platform, that serves as the digital extension of our physical marketplaces. Through *Chinagoods*, we have digitally connected with approximately 50,000 merchants operating physical booths within our marketplaces and hosted approximately 17.0 million SKUs, enabling comprehensive online display and dynamic operation. This has extended the reach of the physical marketplaces beyond geographical boundaries and operating hours, providing global buyers with continuous, cross-regional access to centralized sourcing and procurement services.

Our large-scale physical marketplaces provide a natural traffic base and trust foundation for the digital platform, forming a mutually reinforcing model in which offline operations support online credibility, while online channels generate incremental traffic for offline markets. As of December 31, 2025, *Chinagoods* had approximately 5.6 million registered buyers. This online-offline integration has improved supply-demand matching efficiency and supported steady growth in transaction activity and order conversion on the platform.

Capital Support Creating End-to-End Cross-Border Fulfillment Capabilities

We regard compliant and efficient fund settlement as critical infrastructure for cross-border trade. We offer Yiwu Pay, our payment solutions that primarily support cross-border payments. In 2023, 2024 and 2025, the total transaction value of cross-border payments processed through Yiwu Pay amounted to RMB8.3 billion, RMB27.8 billion and RMB43.7 billion, respectively. As of December 31, 2025, Yiwu Pay had served 25,227 merchants in cross-border payments. As of the Latest Practicable Date, Yiwu Pay had enabled transactions across 178 countries and regions, supporting settlement in 29 major currencies.

To address settlement challenges in emerging markets, Yiwu Pay launched local-currency direct collection services overseas, reducing foreign exchange losses and intermediary costs through direct connection to local clearing networks. Yiwu Pay has also collaborated with Industrial and Commercial Bank of China to implement an integrated domestic-international settlement model. In addition, Yiwu Pay has been approved as a direct acceptance institution for e-CNY and became one of the first expanded participants in China's multi-CBDC Bridge ("**mBridge**") initiative, enhancing the efficiency and compliance of RMB cross-border settlement.

We are among a limited number of trade service providers holding a payment business license, registration for cross-border RMB payment services, enterprise credit reporting registration and a commercial factoring license, according to CIC. Holding these licenses and registration enables us to provide merchants with a suite of financial services including payment, factoring and credit support.

One-Stop Ancillary Trade Services Enhancing Value-Added Capabilities

We have established a comprehensive ancillary services system covering exhibitions and convention, hospitality, ancillary catering and ancillary facility development and sales, enhancing convenience for merchants and buyers and supporting increased customer lifetime value.

We provide comprehensive exhibition and convention services, covering domestic and overseas exhibition organization, venue operation and other ancillary services. We organize and manage multiple UFI-certified exhibitions, including the China Yiwu International Commodities (Standards) Fair and the China Yiwu Imported Commodities Fair, and operate the Yiwu International Expo Center, providing efficient platforms for trade matching and business engagement.

We have also expanded into ancillary services including hospitality and catering. As of December 31, 2025, we operated nine hotels and service apartments and developed proprietary catering brands including Fingertip Canteen and Yandoo Café. These services collectively integrate accommodation, dining, business meetings, social interaction and leisure, providing comprehensive support for market footfall and commercial activities. We also develop and sell ancillary facilities, including marketplace-related and warehousing facilities, to expand functional capacity for merchants, trade service providers and related market participants, further deepening ecosystem stickiness and supporting sustainable growth of our integrated trade platform.

Advanced Digital Capabilities Supporting Business, Commodity and Capital Flows

Digital Marketplace. In response to developments in digital technologies and global digital trade, we have developed the next-generation marketplace, the Global Digital Trade Center, and our digital trade services platform *Chinagoods*. The Global Digital Trade Center integrates digital infrastructure and services across multiple stages of the trade value chain, including product design, manufacturing, display, transaction execution, trade fulfillment and other upstream and downstream stages of the small commodities industry, forming a digital trade ecosystem. In addition, *Chinagoods* functions as the digital counterpart and online extension of our large-scale physical markets. By removing traditional constraints relating to geography and operating hours, the platform enables continuous online access to market-based sourcing. We have also collaborated with leading technology providers, including Alibaba Cloud, to develop "World Yiwu," an LLM tailored for trade-related use cases. As of the Latest Practicable Date, 14 core AIGC applications had been deployed on a regular basis, supporting digital processes across product display, product selection, negotiation, transaction execution, warehousing and settlement.

Digital Logistics. We have developed a digital logistics system through in-house digital warehousing services and digital logistics services provided by our associate Zhijie Yuangang. Relying on infrastructure including the Yiwu Global Yida Supply Chain, Industrial Park, International Logistics Market (Phase 1) and Yiwu Cross-Border E-commerce Logistics Park, as well as overseas warehouses in Spain and the Czech Republic, our warehouses had a total operating scale of more than 800,000 sq.m. as of December 31, 2025, with an average occupancy rate exceeding 96% during the Track Record Period. Through the digital supply chain platform of Zhijie Yuangang, we have achieved process visibility across domestic consolidation, trunk transportation and overseas last-mile delivery. This has reduced reliance on multi-layer freight forwarding structures, improved fulfillment efficiency and enhanced pricing competitiveness. Our digital logistics capabilities support both transaction execution and the depth of services provided to merchants.

Digital Finance. We continue to enhance payment and settlement infrastructure around trade-related scenarios to promote the digitalization of capital flows. By structuring and analyzing transaction, logistics and payment data generated in day-to-day trade activities, we assess merchant credit profiles and, together with enterprise credit data, provide eligible merchants with trade-related finance solutions such as factoring. These trade-related financial services improve convenience for micro, small and medium-sized enterprises in relation to cross-border payments and working capital financing, easing liquidity pressure in physical trade operations. At the same time, the development of such services has expanded our revenue sources beyond traditional booth leasing and trade matching, contributing to a more diversified earnings structure.

Supported by significant volumes of transaction, logistics and payment data from our physical marketplaces and online platform, we continue to accumulate data assets that underpin service optimization and business innovation. These data assets enable us to enhance existing services and develop new value-added offerings. For example, analysis of buyer behavior and product trends supports more targeted product selection and marketing guidance for merchants, while the integration of logistics and payment data enables the development of services such as trade-related finance services and risk management, differentiating our platform from traditional commodity markets.

Bidirectional "Global-to-Global" Trade Service Network Anchored by the Yiwu Market

Leveraging over four decades of experience in physical market operations and a large merchant base, we have developed a bidirectional global trade service network anchored by Yiwu China Commodities City. Our overseas strategy is driven by two complementary initiatives, namely the overseas expansion of Yiwu-sourced commodities and the integration of import and export activities, with the objective of facilitating the circulation of goods across markets globally.

Overseas Expansion of Yiwu-sourced Commodities. With the evolution of the international trade environment and the upgrading of merchant capabilities, an increasing number of merchants have demonstrated strong demand to independently expand into overseas markets and engage in cross-border trade. Such demand, originating from within the Yiwu trading ecosystem, represents a large and relatively stable customer base for our international business development. In response, we leverage our capabilities in resource coordination, digital operations and brand management to support merchants' overseas expansion. Centered on our Yiwu China Commodities City, we have deployed five overseas expansion models to build an end-to-end ecosystem combining online and offline channels and covering the full trade value chain, enabling merchants to access overseas markets more efficiently. As of December 31, 2025, we had implemented 78 overseas projects across 37 countries and regions worldwide, with a strategic focus on Europe and Southeast Asia.

Integration of Import and Export Activities. In parallel, we continue to advance an integrated import-export strategy. While maintaining our export-related strengths, we are expanding our import trading business to support a more balanced flow of goods across markets and to enhance our position as a global trade hub. We have introduced import-related operations into new projects, attracting quality products from countries such as Japan to be distributed through our network, thereby enriching product offerings on our platform. In addition, supported by reforms to the positive-list regime for imported consumer goods, we have simplified import procedures and improved operational efficiency, providing global suppliers with a streamlined channel to access the PRC market and other international markets. Looking ahead, we expect to further attract global supply chains and manufacturing resources to Yiwu, supporting the continued upgrading of the market and the development of a more resilient trade ecosystem.

Through the continued enhancement of overseas expansion capabilities and the integration of import and export activities, we are progressively establishing a global trade service system comprising a domestic market hub and an overseas service network. This framework supports our transition from a traditional market operator to a comprehensive global trade services provider and underpins our ability to facilitate both inbound and outbound trade flows across multiple markets.

Pioneer in National Trade Reforms and Central Platform for the Globalization of China's Small Commodity Trade

As a pioneer and key participant in China's small commodity trade industry, we have been actively involved in multiple national-level trade reforms and have consistently supported industry development through policy implementation and operational practice. Our Yiwu China Commodities City has directly facilitated the export of small commodities from China. According to CIC, in 2025, Yiwu accounted for over 70% of China's total market procurement trade value, making it a core driver of China's small commodity trade. We have served as a principal implementation platform and early participant in major reform initiatives, including the Market Procurement Trade Model, digital trade innovation and cross-border payment facilitation. We have continued to undertake national pilot programs and institutional testing arrangements, achieving industry-leading efficiency and cost advantages in areas such as customs clearance, regulatory compliance, settlement and taxation, and providing an efficient and compliant operating environment for global trade participants.

We were among the first participants in the reform of the Market Procurement Trade Model. In April 2013, Yiwu was approved as the first pilot city nationwide, and we commenced implementation of the model in 2014. The Market Procurement Trade Model simplified customs clearance and tax procedures for micro, small and medium-sized enterprises and supported the large-scale development of small commodity exports from Yiwu. Our operational standards under this model were subsequently adopted as reference practices for other pilot regions nationwide.

Pursuant to *the Overall Plan for Deepening Comprehensive International Trade Reform*, as approved by the State Council, we have undertaken pilot initiatives in areas including import trade facilitation and digital trade regulation. As the only nationally designated positive-list enterprise for the import positive-list program, we were the first to implement pilot arrangements covering 28 categories of daily consumer goods and five categories of parallel-imported home appliances, according to CIC. Through these initiatives, we expanded our business scope from export-oriented trade services to import-related trade services, extending our operations from selling globally to sourcing globally and supporting a more balanced development of import and export activities within the industry.

Further, our proprietary payment platform, Yiwu Pay, is one of the first non-bank institutions nationwide to directly participate in the central bank-led mBridge initiative. In September 2025, Yiwu Pay was approved to provide settlement and foreign exchange services for market procurement trade. It offers B2B foreign trade enterprises scenario-based, customized and compliant integrated payment solutions, addressing the fragmented, small-value and high-frequency settlement characteristics of small commodity trade.

Core Platform-Level Competitive Barriers Built Upon Yiwu's Industrial Clustering and Business Environment

Our core market operations are rooted in Yiwu, a globally recognized commercial hub characterized by highly active market dynamics and concentrated trade-related resources. As of December 31, 2025, Yiwu had approximately 1.3 million merchants, including over 800.0 thousand e-commerce entities, according to CIC. The city ranked second nationwide by express delivery volume, attracted over 700.0 thousand inbound foreign business visitors annually, and became the first county-level city in China with more than 10.0 thousand foreign-invested business entities and more than 10.0 thousand foreign nationals enrolled in social insurance programs, according to the same source. These factors have contributed to a highly integrated commercial network comprising logistics providers, leading e-commerce platforms, overseas Chinese merchants and foreign market participants.

In terms of administrative empowerment, Yiwu is the only county-level city in China tasked with national-level comprehensive reforms of international trade. It has successively been approved as an International Trade Comprehensive Reform Pilot Zone, a Comprehensive Bonded Zone and a Pilot Free Trade Zone, and has cumulatively received 1,361 items of delegated administrative authority, granting it a high degree of autonomy in economic and social administration. During the "14th Five-Year Plan" period, Yiwu undertook 44 national-level and 195 provincial-level or above reform pilot initiatives, all of which were effectively implemented locally.

Yiwu has provided sustained and targeted support in key areas including regional infrastructure development and business environment optimization, which directly benefit our operations. Yiwu has coordinated the development of a multi-layered modern transportation and logistics network, anchored by the transportation systems including the China–Europe Railway Express (Yiwu–Xinjiang–Europe), the Yiwu (Suxi) International Hub Port and Yiwu Airport. These facilities together form an integrated logistics system combining maritime, rail and air transportation. As a key departure point for the Yiwu–

Europe railway corridor, Yiwu has established stable rail links connecting Europe and Central Asia. As of December 31, 2025, a total of 26 railway routes were in operation, reaching over 50 countries and regions and more than 160 cities.

In addition, the Yiwu municipal government has consistently implemented a policy framework centered on the integration of trade and manufacturing, whereby trade development supports the transformation and upgrading of manufacturing activities. Ongoing improvements in the business environment provide market participants with stable operational expectations and have created favorable conditions for the growth and development of the merchants we serve.

Vision-Driven Leadership, Market-Oriented Talent Force and Commitment to Social Responsibility

Management Team with Long-Term Strategic Vision and Global Operating Capabilities

We are led by a composite management team with deep expertise in the operation of Yiwu-based professional markets and extensive experience in corporate management. Through long-term involvement in the Yiwu trade ecosystem, our core management team has developed a thorough understanding of merchants' day-to-day operational needs and demonstrates strong capabilities in strategic planning and resource coordination. This enables us to steadily advance our transformation from a traditional physical market operator into an international trade comprehensive services provider.

Our core management team has demonstrated a strong capacity for reform and a keen awareness of business and technology trends. With a forward-looking approach, the team has led a series of strategic initiatives, including the establishment and intelligent upgrading of *Chinagoods*, the acquisition of a payment-licensed entity Kuaijietong, the development of the next-generation market — the Global Digital Trade Center, and the joint development of "World Yiwu" with Alibaba Cloud. These initiatives have supported the extension of our business from traditional property-based services to integrated online-offline trade services, reflecting the management team's execution capabilities and adaptability during periods of structural change.

Market-Oriented Talent Structure Supporting Internationalization and Digital Development

We place significant emphasis on talent development and succession planning. Through market-oriented recruitment, performance evaluation and compensation mechanisms, combined with internal management training and external recruitment of professional talent, we have built a relatively young and high-quality workforce that supports our international and digital development objectives.

In line with our international expansion, we have developed a business team with experience in overseas market development and cross-cultural coordination. From the establishment of overseas sub-markets to the construction of multi-country overseas warehouse networks, the team has accumulated practical experience in cross-border operations and service deployment, providing a stable human resource foundation for the continued implementation of our international strategy.

To support the development of our digital marketplace, digital logistics and digital finance initiatives, we have expanded our research and product teams with talent possessing mature internet industry experience and advanced technical backgrounds. Continuous investment in research and talent accumulation supports the ongoing evolution and competitiveness of our platform-based business model.

Commitment to Social Responsibility and Public Welfare

We remain committed to fulfilling our social responsibilities and actively aligning with national and local policy priorities. Social responsibility considerations are integrated into our corporate development strategy. Leveraging our role as a global hub for small commodity trade, we actively support national initiatives such as rural revitalization and common prosperity, reflecting the responsibilities of a state-owned enterprise and contributing to social development.

In the area of public welfare, we have established a structured and ongoing mechanism for charitable contributions and actively participate in a wide range of social initiatives. Our public welfare activities cover areas including education support, medical assistance, community services, east-west regional cooperation and the development of civilized cities.

We also actively respond to the Belt and Road Initiative by extending our public welfare efforts through our global market network. While promoting international trade cooperation, we seek to convey the social commitment of Chinese enterprises. By mobilizing the participation of merchants and chamber-of-commerce members, we integrate charitable activities into our daily operations, fostering positive social recognition and supporting the long-term sustainable development of our business.

OUR STRATEGIES

Expand our Trade Infrastructure and Global Fulfillment Network

We will continue to advance the modernization and upgrade the format of our physical marketplaces, with a focus on the development of the Global Digital Trade Center. The Global Digital Trade Center is positioned as a next-generation modern trade platform that integrates commodity display, digital innovation, incubation of new industries and supporting services. Through this initiative, we aim to further strengthen the synergy between our physical marketplaces and *Chinagoods*, enhance round-the-clock supply-and-demand matching efficiency. At the same time, we are steadily advancing the planning of the Global Trade Services Center project and have obtained the relevant land use rights. Going forward, we intend to expand business opportunities surrounding trade services through this project.

While consolidating the advantages of our domestic marketplaces, we are further deepening our globalization strategy and strengthening our international trade service network. We intend to continue enriching our overseas business ecosystem by promoting the coordinated development of five key overseas expansion models, namely the overseas expansion of sub-markets, warehouses, showrooms, exhibitions and *Chinagoods*. We also plan to actively identify high-quality overseas partners, explore localized operating models and integrate ancillary services such as cross-border logistics and cross-border RMB payment and settlement. Through these efforts, we aim to provide merchants with one-stop cross-border fulfillment solutions, unlock growth opportunities in emerging markets and further strengthen our global business footprint.

Establish an Industrial Ecosystem through Collaboration with Market Players from Different Sectors

Leveraging the strong manufacturing base in areas surrounding Yiwu, we will continue to deepen the development of our industrial ecosystem and leverage the supporting infrastructure of Yiwu's industrial clusters to create competitive advantages that are difficult to replicate. Going forward, we plan to expand into industrial park operations, with the view to provide merchants with suitable operating premises and supporting services, enabling them to scale existing production capacity, carry out product design activities and develop products in emerging industries, thereby supporting the development of the related real economy.

At the same time, we are committed to driving the extension of the industrial chain into higher value-added segments. Through the establishment of dedicated creator spaces and the organization of a broad range of design competitions, we aim to strengthen merchants' capabilities in product design, IP operation and brand building, thereby supporting their transformation from product sellers into brand creators.

We also intend to leverage global social media channels to promote the Yiwu market and attract global buyers to Yiwu through high-profile events and a continuous stream of creative content. These efforts include organizing content creators to visit Yiwu industrial clusters and identify industry highlights on site, coordinating with international influencers to promote products in Yiwu and increasing the visibility of Yiwu small commodities across domestic and overseas social platforms, and regularly selecting promising products for focused promotion in order to continuously cultivate breakout products with market influence.

Advance Digital Transformation through Technology Innovation

We place great importance on the application and empowerment of advanced technologies in trade scenarios. Focusing on digitalization and AI technologies, we plan to increase investment in areas such as digital marketplaces, digital finance, AI models and data centers.

For digital marketplace, we will continue to increase investment in the underlying technical architecture and R&D of *Chinagoods*. Guided by the principles of benefiting merchants, facilitating procurement, enhancing market promotion and expanding traffic, we will continue to optimize platform construction and complete the clean-up of inactive pages, merchants and product listings.

For digital finance, we plan to: (i) connect with the Digital Currency Research Institute of the People's Bank of China ("**PBOC**") and collaborate with partner banks to finalize the cooperation plan and complete the technical upgrades required for the central bank-side digital RMB system; (ii) complete the planning for a global licensing footprint and actively pursue financial license applications in major countries and regions worldwide; (iii) continue to expand our overseas financial cooperation network and advance the development and launch of global systems; and (iv) strengthen brand building and comprehensively enhance the international influence of Yiwu Pay.

We will also continue to advance the development of "World Yiwu" for trade, with the aim of enhancing the intelligence level of global trade. Guided by a market-oriented approach, we will continue to translate technological achievements into practical applications that empower trade development and explore the deployment of AI-driven innovations across a range of scenarios, including multilingual translation, intelligent customer service and global market trend forecasting. Through technological innovation, we aim to reduce cross-border communication costs and improve trade efficiency.

In addition, we intend to explore opportunities in the data center industry and, together with strategic partners such as China Unicom, invest in computing power infrastructure for the era of artificial intelligence.

Enhance our Corporate Governance and Organizational Agility

In response to the evolving international trade landscape and macroeconomic environment, we believe that only through continued self-transformation can we navigate market cycles. In order to fully support our globalization strategy and digital transformation, we are systematically refining our internal operational management and building a governance system that is better adapted to market development.

We plan to establish an overseas headquarters platform in Hong Kong as a hub for coordinating global business expansion and capital operations. We also intend to continue optimizing our organizational structure by breaking down traditional departmental silos and building an agile management system capable of responding quickly to changes in the international trade environment. In parallel, we plan to comprehensively expand our talent pool by selectively attracting multidisciplinary professionals with proven experience in international trade, fintech and overseas regulatory compliance, supported by market-based long-term incentive mechanisms designed to foster alignment and sustain our long-term development.

On this basis, we will further strengthen our internal control framework and information system safeguards, while deepening the development of our ESG system. We are committed to building a modern corporate structure that is efficient, transparent, accountable and highly adaptable, so that we can continue to respond to market developments and provide a solid foundation for the steady execution of our long-term strategy.

OUR BUSINESS

We are an international trade comprehensive services provider centered on the operation of Yiwu China Commodities City, the world's largest small commodities wholesale marketplace in terms of number of merchants in 2025, according to CIC. Leveraging the extensive physical trading infrastructure and global merchant network formed through decades of development in Yiwu, we have established an integrated business ecosystem that facilitates the display, trading and fulfillment of small commodity transactions serving merchants and buyers worldwide.

Our business is organized into the following principal segments:

- **Market operations**, which represents our foundational business and primarily involves the leasing and operation of trading booths across our established physical marketplace cluster;

- **Trade services**, through which we provide integrated digital and fulfillment solutions to merchants and buyers, including online trading platform, warehousing services and trade-related financial services;

- **Commodity sales**, which include our trading activities that connect domestic and international supply and demand and self-operated new retail business;

- **Ancillary services**, which comprise exhibition and convention services as well as hospitality and ancillary catering services that support the commercial activities within our market ecosystem; and

- **Ancillary facility development and sales**, which involves the development and sale of marketplace-related and warehousing facilities.

Together, these business segments enable us to provide a comprehensive trade infrastructure that supports the global circulation of small commodities.

We have achieved rapid growth during the Track Record Period. The following table below sets forth our revenue breakdown by business lines for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)					
Market operations	**3,035,052**	**26.9**	**4,529,522**	**29.3**	**5,255,112**	**26.7**
Trade services	**469,501**	**4.2**	**547,302**	**3.5**	**1,305,019**	**6.6**
— Digital trade services	337,059	3.0	405,078	2.6	1,075,665	5.5
— Warehousing and logistics services	47,252	0.4	46,273	0.3	111,567	0.6
— Trade-related financial services	85,190	0.8	95,951	0.6	117,787	0.5
Commodity sales	**6,791,567**	**60.2**	**9,257,235**	**59.8**	**9,984,021**	**50.7**
Ancillary services	**466,621**	**4.1**	**448,389**	**2.9**	**543,029**	**2.8**
— Exhibition and convention services	168,245	1.5	150,262	1.0	218,956	1.1
— Hospitality services	291,242	2.6	257,751	1.7	282,314	1.4
— Ancillary catering services	7,134	0.0	40,376	0.2	41,759	0.3
Ancillary facility development and sales	**39,296**	**0.3**	**2,752**	**0.0**	**1,950,258**	**9.9**
Others (1)	**478,742**	**4.3**	**689,684**	**4.5**	**669,997**	**3.3**
Total	**11,280,779**	**100.0**	**15,474,884**	**100.0**	**19,707,436**	**100.0**

Note:

(1) Others primarily include rental income from investment properties and other income.

Market Operations

Market operations are the cornerstone of our trading ecosystem and the principal physical infrastructure that underpins our domestic and cross-border business activities. We operate and manage a cluster of large-scale physical marketplaces collectively known as Yiwu China Commodities City. These marketplaces function as a comprehensive trading hub for small commodities, enabling merchants and buyers to conduct product display, sourcing and transactions within a centralized and standardized trading environment.

Through decades of development, Yiwu China Commodities City has evolved into the world's largest small commodities wholesale marketplace in terms of number of merchants in 2025, according to CIC. As of December 31, 2025, our marketplaces boasted a total lettable area of 1.6 million sq.m., accommodating approximately 80,000 merchants and offering approximately 2.1 million SKUs across 26 major industry categories. Products traded within our markets are exported to more than 230 countries and regions worldwide, as well as distributed domestically across China through wholesale and retail channels to serve local demand. The extensive merchant base, broad product category range and active international buyer participation have created a highly efficient trading environment and reinforced Yiwu's position as a global distribution center for small commodities.

Beyond providing physical trading space, our marketplaces function as the central node of our broader trade ecosystem. The aggregation of merchants, buyers and products within Yiwu China Commodities City forms the foundation upon which our other business segments operate, including digital trading services through *Chinagoods*, warehousing services and trade-related financial services. By anchoring the global flow of small commodity trade within a highly concentrated physical marketplace infrastructure, our market operation segment generates network effects that continuously attract merchants, buyers and service providers to our ecosystem, reinforcing the long-term competitiveness and scalability of our platform.

Our Marketplace Portfolio

Our marketplace portfolio comprises several large-scale trading complexes that together form the physical foundation of Yiwu China Commodities City. Key marketplaces include (i) the established trading complex represented by International Trade Mart Districts 1–5, (ii) the next-generation Global Digital Trade Center, and (iii) specialized category markets including Huangyuan Market, the International Production Materials Market and Binwang Market. The following picture presents an overview of the layout of Yiwu China Commodities City:

Our marketplace portfolio has historically developed under a structured industry clustering model, where merchants engaged in related product categories are concentrated within designated market districts to facilitate sourcing efficiency and buyer access. Within Yiwu China Commodities City, particularly the International Trade City Districts 1–5, our clustering model has formed large-scale, high-liquidity trading hubs covering a broad range of small-commodity categories, including accessories, toys, hardware products, electronic and electrical appliances and daily consumer goods, enabling efficient buyer sourcing while increasing transaction velocity and repeat footfall through closely aligned product communities. We have also developed complementary specialized marketplaces within our broader ecosystem, including Huangyuan Market for apparel products and the International Production Materials Market for machinery and equipment, leather raw materials and other related inputs.

The Global Digital Trade Center represents the next stage of our marketplace development and a key component of our long-term market planning. It adopts an integrated model combining a physical wholesale marketplace with a broader commercial cluster, incorporating supporting facilities such as office buildings for digital trade operators, commercial streets and hospitality facilities, as well as a digital trade port (數貿港) that provides digital trade infrastructure and related services to support trade activities within our broader marketplace ecosystem. In terms of market operations at the Global Digital Trade Center, it is designed to serve higher-growth and emerging consumer segments, including fashion jewellery, skincare and medical aesthetics products, creative and fashion toys, maternal and infant care products, travel goods, as well as technology-driven consumer products such as drones, robotics, artificial intelligence equipment and AR/VR devices.

During the Track Record Period, our marketplace portfolio expanded steadily. Revenue from our market operation business amounted to RMB3,035.1 million, RMB4,529.5 million and RMB5,255.1 million in 2023, 2024 and 2025, respectively. During the Track Record Period, the International Trade Mart Districts 1–5 recorded revenue per sq.m. per year of RMB2.0 thousand. The Global Digital Trade Center, which commenced operations in October 2025, recorded revenue per sq.m. per year of RMB1.7 thousand in the same year. Total lettable area increased from 1.3 million sq.m. as of December 31, 2023 to 1.6 million sq.m. as of December 31, 2025. Over the same period, the number of booths rose from 60,398 to 66,642, and the number of merchants increased from 73,758 to 79,528. These developments reflect both capacity growth and continued strengthening of our merchant ecosystem.

International Trade Mart Districts 3
— An example of our established marketplaces

Global Digital Trade Center
— Our next-generation marketplace

Key details of our marketplaces are set forth below:

Marketplace	Year of Operation	Market Description
International Trade Mart Districts 1–5 (including District 2 East Market)	Successively from 2002 to 2023	Established small commodities wholesale trading complexes within Yiwu China Commodities City, accommodating merchants offering a diverse range of consumer goods, including toys, jewellery, fashion accessories, crafts, bags and luggage, hardware, small household appliances, electronic products, new energy items, cosmetics, stationery and sporting goods, daily necessities, hats and other everyday consumer products.
Global Digital Trade Center	2025	A next-generation trade complex integrating a physical trading marketplace with digital trade capabilities and supporting commercial facilities. The marketplace operates as a branded and design-oriented consumer products wholesale market. In addition, the complex comprises (i) office buildings for digital trade operators and related service providers, (ii) a commercial street offering retail and food and beverage services, (iii) a digital trade port serving as a centralized hub for trade data management and digital exhibitions, and (iv) hotel facilities providing accommodation and leisure services for buyers and market operators.
Huangyuan Market	2011	A specialized apparel wholesale market primarily serving merchants engaged in clothing and related fashion products.
International Production Materials Market	2013	A specialized wholesale market focusing on machinery and equipment, leather raw materials and other related products, accommodating merchants engaged in production materials, manufacturing equipment and related support services used in light manufacturing and downstream assembly activities.
Binwang Market	1995	An outward-facing market focusing on cultivating distinctive business formats, including smart home appliances, entertainment electronics, digital security products, sports and leisure, cultural and trendy consumer goods, international dining, foreign business support services, and foreign trade exhibition halls.

The following table sets forth the key operating metrics for each of our marketplaces during the Track Record Period:

	Year ended/as of December 31,		
	2023	**2024**	**2025**
International Trade Mart Districts 1–5 (including District 2 East Market)			
Lettable area *('000 sq.m.)*	974.0	990.2	1,015.5
No. of booths	49,972	50,364	50,638
No. of merchants(1)	61,216	62,479	62,912
Booth occupancy rate(2) *(%)*	98.1	98.7	99.1
Global Digital Trade Center(3)			
Lettable area *('000 sq.m.)*	—	—	163.1
No. of booths	—	—	5,283
No. of merchants(1)	—	—	3,845
Booth occupancy rate(2)(4) *(%)*	—	—	72.8
Huangyuan Market			
Lettable area *('000 sq.m.)*	103.9	104.2	104.3
No. of booths	5,534	5,541	5,542
No. of merchants(1)	8,648	8,850	8,854
Booth occupancy rate(2) *(%)*	96.9	97.0	96.9
International Production Materials Market(5)			
Lettable area *('000 sq.m.)*	259.4	259.4	286.3
No. of booths	4,516	4,271	4,797
No. of merchants(1)	3,748	3,487	3,805
Booth occupancy rate(2) *(%)*	83.0	81.6	79.3
Binwang Market			
Lettable area *('000 sq.m.)*	34.2	45.8	45.8
No. of booths	376	382	382
No. of merchants(1)	146	124	112
Booth occupancy rate(2)(6) *(%)*	38.8	32.5	29.3

Notes:

(1) The number of merchants exceeds the number of booths because certain booths are subdivided and jointly operated by multiple merchants in practice.

(2) Booth occupancy rate is calculated as the total number of occupied booths during the relevant period divided by the total number of available booths as of the relevant date.

(3) As the Global Digital Trade Center commenced operations during 2025, its operating data is not applicable in 2023 and 2024.

(4) For the Global Digital Trade Center, the overall booth occupancy rate was 72.8% as of December 31, 2025, as leasing for the fourth floor had not yet commenced in 2025 and was launched in January 2026, and floors one to three of the Global Digital Trade Center achieved a booth occupancy rate of 98.9%.

(5) For the International Production Materials Market, the number of booths and merchants was adjusted from 4,516 booths and 3,748 merchants in 2023 to 4,271 booths and 3,487 merchants in 2024 following market layout optimization, including renovations that increased the average booth size. In 2025, total lettable area expanded from 259.4 thousand sq.m. to 286.3 thousand sq.m., with the number of booths and merchants increasing to 4,797 and 3,805, respectively, following the commencement of operation of a new plot. As the expansion was implemented progressively, the occupancy rate in 2025 reflected a transitional stage of leasing and tenant adjustment.

(6) The booth occupancy rate of Binwang Market was relatively lower than other marketplaces during the Track Record Period, primarily due to the market being subject to ongoing redevelopment and upgrading-related planning, under which long-term leasing is conducted on a phased basis, resulting in a more gradual pace of new leasing, together with our prudent, phased leasing strategy.

As of the Latest Practicable Date, we were in the progress of planning and preparatory work for our new development project Global Trade Services Center. The project has a planned total site area of approximately 164,700 sq.m. and a total GFA of approximately 660,000 sq.m. It is expected to be developed over a period of three to four years, with total estimated investment of approximately RMB7.9 billion. Upon completion, the project will operate as a one-stop commercial, business and cultural hub, providing integrated and digitally-enabled services to support import, export and transshipment activities, thereby contributing to the development of a full-chain international trade ecosystem.

Marketplace Management

We adopt a centralized marketplace management framework designed to maintain an orderly, well-positioned and efficient market environment, and to support the sustainable development and long-term vitality of our marketplaces. Under this framework, we exercise centralized oversight over key operational dimensions, including merchant onboarding, booth allocation, product category planning and day-to-day market governance, to ensure consistent standards and disciplined execution across our market network. Merchant admission is governed through a structured review process that assesses eligibility, verifies alignment with our category planning, and evaluates compliance and relevant performance history. Merchants are required to operate strictly within their approved product categories and comply with market rules on booth use, business conduct and trading activities. Through this approach, we preserve clear product clustering within each market district, strengthen market visibility and buyer concentration, and support the orderly and efficient functioning of our marketplace ecosystem. In parallel, we monitor the supply and demand dynamics of booth resources and maintain internal mechanisms to track rental levels and trading activity, which support the long-term stability, attractiveness and healthy development of our merchant ecosystem.

We enter into lease agreements with merchants that clearly set out the term of use, applicable fees and the permitted scope of business. Under these arrangements, merchants are granted the right to operate designated trading booths within our marketplaces for specified contractual periods, within the operational boundaries established by our market governance model. Under our marketplace operation model, we primarily generate revenue through (i) booth usage fees and (ii) entry fees. Booth usage fees are charged in consideration of the merchant's right to use and operate the relevant booth, and are related to marketplace management and operational services that support market vitality, merchant traffic and consistent market standards. Such fees are determined with reference to booth location, product category and prevailing market conditions, and generally remain fixed during the contractual period, with adjustments upon renewal in accordance with applicable policies. Entry fees are charged for newly admitted signed booths, in connection with booth reintroduction and related follow-up marketplace services. For booths located at the Global Digital Trade Center, platform seat fees are charged in connection with merchant sourcing, support for the initial allocation of booths, and the provision of ancillary services supporting merchants' initial move-in to the new market. Pricing for entry fees is determined with reference to public auction mechanisms.

Below sets forth the salient terms of our standard lease agreements with merchants:

Lease term, renewal and termination	Lease terms are specified in the relevant lease or booth usage agreements, typically with a term ranging from one to three years. Upon expiry, merchants may apply for renewal, which is subject to our review and approval based on compliance history, business category alignment and prevailing market conditions. We may terminate the booth usage agreement prior to expiry in the event of a material breach of the agreement or marketplace management rules, or in connection with market layout adjustments or category restructuring. In such circumstances, we may recover the relevant booth usage right in accordance with the terms of the agreement.
Use of booth	Merchants are permitted to use the leased booths solely for approved industry categories and in accordance with the scope specified in the relevant agreements and management rules. Merchants are not permitted to unilaterally alter their business scope or usage without our prior consent and approval.
Fees and payment	Booth usage fees are payable periodically for the duration of the lease term and are calculated based on the booth area, in accordance with the relevant agreements and marketplace management rules. Entry fees for newly admitted signed booths are payable by merchants upon initial allocation. No entry fee is required upon renewal of the relevant booth usage rights. For the Global Digital Trade Center, we charge platform seat fees, which are also payable at the time of initial allocation.
Sublease and transfer	Subleasing or transfer is not permitted without our prior consent and shall be in compliance with applicable marketplace management rules.
Merchant compliance	Merchants must comply with applicable marketplace management rules and their contractual obligations. Any non-compliance may result in penalties, deduction of performance bonds, suspension of utilities, or termination of the relevant agreements without compensation, in accordance with the contractual terms and applicable regulations.

Overseas Sub-Markets

We operate overseas sub-markets that serve as innovative international trade hubs, which are developed through directly-operated markets or partnership arrangements. As we expand internationally, we seek to export our brand and established business model to overseas markets. As of the Latest Practicable Date, we had established overseas sub-markets in regions such as the UAE, Australia and Angola, among others. In addition, we also operate overseas showrooms under a display-only model to showcase products sourced from our domestic merchants without on-site retail sales. By integrating sourcing, logistics and digital services, we seek to extend our market operating model overseas.

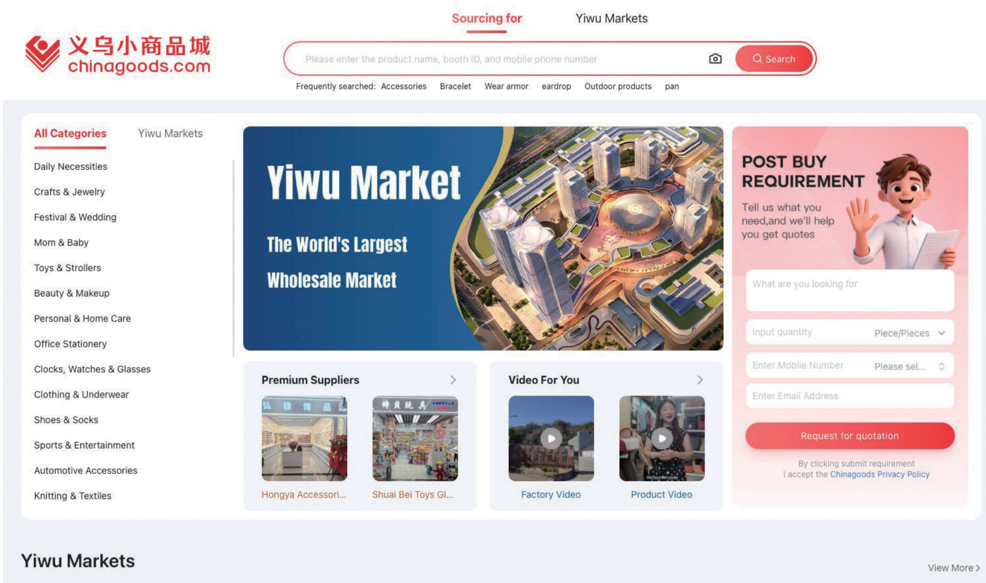
Trade Services

Our trade services primarily consist of (i) digital trade services delivered through our platforms including *Chinagoods* and other forms of trade services, which serve as online extensions of our physical marketplaces that enable merchants to present products, connect with buyers and generate trade leads; (ii) warehousing services, which provide merchants in our physical marketplaces with centralized storage, handling and delivery of goods and enable coordinated order fulfillment for both domestic and cross-border trades; and (iii) trade-related financial services, including payment, credit reporting and factoring services for merchants, together facilitating transaction settlement and the completion of trading activities. Collectively, these services represent a natural extension of our market operation business. Building on our role as the operator of Yiwu China Commodities City, we have evolved beyond providing a physical trading venue into an international trade comprehensive service provider. With digital trade infrastructure, fulfillment capabilities and trade-related financial services, we have established a coordinated trade service ecosystem that connects and streamlines key stages of the trading process. Through this ecosystem, we aim to reduce merchants' transaction costs, shorten trading cycles and improve overall trade efficiency, thereby continuously enhancing the circulation and value creation of small commodities.

Digital Trade Services

Chinagoods is our key proprietary digital trade service platform primarily serving B2B participants, which serves as an online extension of our physical marketplaces. *Chinagoods* enables merchants to present products, connect with buyers and generate trade leads and inquiries. Through *Chinagoods*, we facilitate online transactions between registered merchants and buyers and the conversion of online traffic into offline sourcing, inspection and transaction opportunities. In addition to coordinating transactions, *Chinagoods* provides merchants with value-added digital tools to enhance their market presence. Through structured storytelling across online and offline channels, *Chinagoods* helps merchants articulate their origin, product value and brand narrative effectively, thereby promoting market recognition and buyer engagement.

Beyond the initiation and matching of transactions, *Chinagoods* serves as a digital gateway to our broader trade service ecosystem. Supported by online and offline resources, *Chinagoods* and our Yiwu China Commodities City together form a trade system that connects online product display and trade matching with offline transaction execution within our marketplaces, as well as downstream warehousing and trade-related financial services delivered through our broader trade service offerings. Leveraging the extensive merchant base of Yiwu China Commodities City, where approximately 50,000 merchants operating physical booths within our marketplaces are onboarded onto the platform, *Chinagoods* aggregates product supply and market information at scale, enhances transaction efficiency and enables more seamless coordination across the trading process. As of December 31, 2023, 2024 and 2025, we had approximately 4.0 million, 5.0 million and 5.6 million registered buyers on *Chinagoods*, respectively. As of December 31, 2025, *Chinagoods* hosted approximately 17.0 million SKUs. In addition, we operate several *Chinagoods* overseas platforms through country-specific sites, such as the overseas markets where we have operated sub-markets, showrooms or exhibitions. The picture below sets forth our webpage interface:



The following outlines the key operating metrics of *Chinagoods* during the Track Record Period:

	Years ended December 31,		
	2023	2024	2025
Average Daily Browsing (Frequency)	313,695	296,036	431,921
Number of Monthly Active Registered Buyers	259,769	218,995	243,307
Percentage of Monthly Active Registered Merchants[(1)]	73.5%	59.7%	61.7%

Note:

(1) Calculated by average monthly active registered merchants during the year divided by the total number of registered merchants during the year.

We provide tiered package comprising standard and value-added services, offering a comprehensive suite of solutions that help merchants improve operational efficiency and manage relationships with potential buyers.

We provide standard services to all merchants upon their admission to *Chinagoods*, which include:

- *Product Display and Trade Matching*. *Chinagoods* provides standardized digital product listings and search functions, enabling merchants to showcase their offerings online and allowing buyers to identify, inquire and connect. *Chinagoods* creates transaction opportunities primarily through online product discovery and communication, facilitating buyers' preliminary inquiries and customizing buyers' preferences and demands prior to trade execution. By displaying product availability and merchant information in physical marketplaces, *Chinagoods* eases pre-transaction matching and negotiation, while recognizing that small commodity transactions typically involve offline inspection and final negotiation rather than fully online execution.

- *AI Tools Utilization.* In October 2025, we introduced "World Yiwu." Co-developed with Alibaba Cloud, "World Yiwu" is the first LLM dedicated to the trading industry, according to CIC. Built on LLM capabilities, we have independently developed 14 AI-powered tools in text and image generation, and merchant training. Registered merchants may access these tools via *Chinagoods* or Wechat mini program. Amongst these tools, we offer several of them to merchants free of charge:

  - AI-Powered Independent Website (AI獨立站) enables merchants to single-handedly build and operate multilingual site with AI-assisted setup and optimization in empowering product display for global customer outreach.

  - *Chinagoods* AI Assistant (*Chinagoods* AI助理) is an AI-enable business assistant responding real-time to issues such as product matching, pre-transaction communications and operational support.

  - *Chinagoods* AI Translator (*Chinagoods* AI翻譯) supports translation across 116 languages and integrates voice, image, text and document translation capabilities, providing practical support for merchants engaged in cross-border business.

  - *Chinagoods* AI Business Cards (*Chinagoods* AI名片) uses AI-enabled meta human in introducing merchants' storefront and product offerings through AI-generated videos, creating virtual face-to-face interactions.

  - *Chinagoods* AI Design (*Chinagoods* AI設計) is able to generate visual contents through AI-enabled tools that assist merchants in product designs.

  - *Chinagoods* AI Visual Generation (*Chinagoods* AI圖生萬物) offers AI-enabled tools that generate standardized e-commerce product images, scenario-specific visuals and promotional contents complementary to merchants' product display and advertising.

- *Trade Fulfillment and Supporting Services.* We coordinate and support key downstream trade-fulfillment functions, such as payment processing and related trade services, through a combination of in-house capabilities, including warehousing, cross-border and domestic payments through Yiwu Pay, credit reporting and factoring services. See "— Trade-Related Financial Services" and "— Warehousing Services." We also support merchants' day-to-day online store operation with system maintenance and ongoing digital operation support, ensuring stable, secure and efficient platform operations. In addition, our 24/7 integrated customer support system, comprising both online and offline service teams, guides merchants on store management, trade compliance, transaction security, intellectual property portfolio management and trainings to navigate *Chinagoods*, Together, these supports enable efficient trade execution and effective ongoing operations.

In addition to standard services, we also offer value-added services primarily including traffic acquisition. We offer traffic acquisition tools such as preferred display positions and keyword-based placements, which helps merchants increase product and storefront visibility on *Chinagoods* and subsequently increase merchant discoverability, attract buyer traffic and boost conversion from browsing to transactions.

Pricing

We charge annual subscription fees of approximately RMB3,000 to merchants upon their entry into our physical marketplaces, which cover the provision of basic services. We charge value-added service fees separately based on a per-service or usage basis and are not subject to a fixed cap, as they reflect the cumulative value of services utilized by merchants. We determine the pricing of both standard service fees and value-added service fees with reference to the costs of providing the relevant services, including software and hardware infrastructure, as well as the nature and scope of the services offered.

In addition to the fees above, we charge digital platform infrastructure fee once merchants are admitted to *Chinagoods*. When determining pricing, we consider upfront investments including (i) pre-onboarding and initial fulfillment support prior to merchant entry to *Chinagoods*; and (ii) basic network and infrastructure setup easing merchants' access to online and offline operations.

Our services last for the same period as the tenant's booth lease terms. To renew, merchants must sign a new contract with us and pay in full before the term ends; otherwise, the agreement will end automatically. We will only initiate services after receiving full payment. We may terminate our services if merchants (i) refuse to open an online store, (ii) breaks relevant laws and regulations or our rules or (iii) lose right to operate their booths in physical marketplaces.

Warehousing Services

We provide integrated warehousing services that support inventory preparation and order fulfillment, enabling efficient coordination across the trade execution chain. Our warehousing services comprise (i) standard warehousing services and (ii) value-added warehousing services.

We offer standard warehousing services at our five warehouses and industry parks across domestic and overseas locations, primarily including storage and leasing services for bulk goods. In support of merchants' need in storing their bulk goods and products, our standard warehousing services provide reliable access to secure and scalable storage space under conventional leasing arrangements.

In addition, we offer value-added warehousing services designed to support merchants' short-cycle or ad hoc inventory turnover needs. Unlike traditional leasing arrangements based on fixed warehouse units, value-added services allow for subdivision of storage space into smaller, flexible units based on merchants' operational requirements, with lease terms adjustable to actual usage. Our value-added warehousing services also include ancillary services such as sorting, labeling, loading and unloading, enabling merchants to store and retrieve goods flexibly, facilitate cargo circulation and manage operating costs. These services are supported by system-based inventory management and real-time data visibility, enabling us to manage goods at scale with unified workflows and improve inventory turnover and fulfillment accuracy. We apply standardized pricing for value-added solutions based on the estimated costs involved and market rates for similar services, without taking into consideration of unique circumstances of each customers.

Our domestic warehouses primarily comprise Yiwu Global Yida Supply Chain Industrial Park, International Logistics Market (Phase 1) and Yiwu Cross-Border E-commerce Logistics Park. We also operate two overseas warehouses in Spain and the Czech Republic. The following table sets forth key information of our warehouses as of December 31, 2025:

Facility	Year of Operation	Owned or Leased	GFA (sq.m.)	Primary Function	Average Occupancy Rate
Yiwu Global Yida Supply Chain Industrial Park (環球義達供應鏈產業園)	2021	Leased	63,266	Provides multi-story warehouse facilities primarily for medium- to long-term leasing by cargo owners and merchants, supporting centralized storage and coordination with downstream shipment booking and export processes.	2023: 100.0% 2024: 100.0% 2025: 100.0%
Yiwu Cross-border E-commerce Logistics Park (S2) (跨境電商物流園)	2024	Owned	331,578	Provides traditional warehousing, turnover and value-added services tailored for cross-border e-commerce merchants, particularly for high-frequency, small-batch and fragmented order fulfillment. The park supports sorting, consolidation and rapid outbound processing for parcel-based shipments.	2023: — 2024: 99.3% 2025: 99.6%
Yiwu International Logistics Market (國際數字物流市場)	2025	Owned	392,017	Serves as a domestic dispatch hub from local warehouses to international transport. Third-party service provider handles daily operations for a fee, while we oversee commercial matters, major operational decisions, and appoint staff for safety and compliance.	2023: — 2024: — 2025: 98.2%
Spain FBC Warehouse	2025	Owned	13,210	Offers comprehensive international trade fulfillment including domestic consolidation, mainline logistics, overseas warehousing, inventory preparation, distribution, delivery, plus online/offline product display and transactions for small commodity trading.	2023: — 2024: — 2025: 100.0%
The Belt and Road Czech Republic Station Logistics Park	2018	Leased	24,721	Connects import and export of goods between Chinese mainland and the Czech Republic with warehousing, order management, inventory distribution and last-mile delivery. Further, through advanced digital management tools, it offers foreign trade and e-commerce enterprises with in-warehouse operations, China-Europe freight forwarding, cross-border e-commerce fulfillment and customized logistics solutions.	2023: 90.0% 2024: 98.0% 2025: 97.0%

We implement a unified domestic and overseas warehouse management framework under which we entrust a professional property management service provider to manage shared areas and facilitate day-to-day operations. We are responsible for leasing warehouse premises and supervise structural alterations, fire safety, environmental protection, utilities usage and the storage of hazardous goods. We require all tenants to comply with standardized rules on warehouse uses, safety and conduct within warehouses, with responsibilities for maintenance, repairs and risk bearing clearly allocated between the property management service provider and tenants. To ensure consistent operational standards, we have established a structured workplace safety and accountability framework supported by a three-tier, grid-based management system covering us, property management entities and tenants, which is reinforced through ongoing safety training, coordinated communication mechanisms and regular emergency response drills conducted in collaboration with property management entities. Further, our warehousing operations are supported by a proprietary warehouse management system, which enables centralized coordination of inbound receipt, inventory tracking, sorting, consolidation and outbound processing across facilities.

Our Pricing Model

We offer our domestic warehouses through online auctions in exchange for leasehold interests. We determine our base auction price for domestic warehouses on prevailing rental price in surrounding comparable warehouses, supplemented by third-party valuation reports. We subsequently use these valuation reports as our benchmark price.

We adopt a market-oriented approach in determining rental prices and add-on service fees for our overseas warehouses. We consider pricings from surrounding warehouses, as well as quality of hardware and systems provided. We then arrange face-to-face negotiation with merchants to finalize pricing.

Trade-Related Financial Services

Payment Solutions — Yiwu Pay

We support merchants' trade settlement needs with Yiwu Pay, our payment solutions. Regulated by the PBOC and State Administration of Foreign Exchange, we primarily offer cross-border payment services to merchants in our physical marketplaces and digital trade service platforms such as *Chinagoods*. In addition, we offer domestic payment services to merchants in our physical marketplaces and are exploring e-CNY offering. In line with the increasing demand for cross-border trade and the growing proportion of merchants engaged in international business within our ecosystem, we are progressively shifting our focus from domestic payment services to cross-border payment services. Through cross-border and domestic payment services, we help merchants reduce transaction costs, improve settlement efficiency and enhance fund security.

- *Cross-Border Payment Services.* Our cross-border payment services target small-value, high-frequency transactions. As of the Latest Practicable Date, our cross-border payment service was available to merchants transaction in 178 countries and regions, supporting settlement in 29 major currencies. Such multi-currency collection capacity aims to enhance settlement efficiency and reduce merchants' overall payment costs. Through our partner bank in Hong Kong, we assist merchants in establishing virtual accounts and conduct foreign exchange settlements on their behalf and in their name, facilitating transactions with oversea buyers. Upon receipt of funds remitted by overseas buyers into the virtual account, we notify merchants, who may elect to retain the funds or withdraw them immediately. Following merchants' withdrawal instructions, we remit the funds from Hong Kong to Chinese mainland. Adhering to these procedures, we ensure that fund amounts are accurate and the underlying transaction is authentic. In 2023, 2024 and 2025, the total transaction volume of cross-border payments process through Yiwu Pay amounted to RMB8.3 billion, RMB27.8 billion and RMB43.7 billion, respectively. As of December 31, 2025, Yiwu Pay had served 25,227 customers in cross-border payments.

- *Domestic Payment and e-CNY Services.* We offer domestic payment service primarily by embedding such service into *Chinagoods*, thereby allowing end-buyers to transact via (i) QR code payments, (ii) quick pay with registered bank accounts, (iii) online banking and (iv) settlement through their Yiwu Pay e-wallet balances. Our domestic payment service directly connects front-end customers to settlement institutions such as commercial banks or Alipay through APIs provided by UnionPay and NetUnion Clearing Corporation. Such connection increases efficiency in trade fulfillment and execution. In addition, we have explored and launched e-CNY service, enabling eligible merchants to conduct payments and settlements in approved transaction scenarios. As of December 31, 2025, our cumulative domestic payment transaction volume amounted to 172.1 billion and our cumulative e-CNY transaction volume amounted to 5.9 billion.

Salient Terms with Customers

We enter into agreements with customers upon registering Yiwu Pay account or using Yiwu Pay services. The following sets forth salient terms:

Term	Remain in force unless terminated according to the agreement.
Service Scope	We offer internet payment services, including payment, collection, fund transfer, withdrawal, transaction inquiry and refund services, as well as related customer support. We provide other services through banks and other licensed payment or clearing institutions.
Fees and Pricing	We charge service fees for the services provided. Applicable fee standards are subject to those publicly disclosed on our platform or as otherwise agreed in separate written agreements.
Indemnification	We do not assume responsibility for disputes between users and third parties, except when losses are caused by our willful misconduct or gross negligence. Customers are required to indemnify us for losses arising from their breach of the agreement, violation of laws or regulations, provision of false or incomplete information, or illegal or non-compliant transactions.
Termination	Parties can mutually terminate by giving 30 days' prior written notice. We may suspend or terminate services or close customers' accounts with immediate effect in circumstances including suspected illegal, abnormal or high-risk transactions, regulatory requirements, or material breach of the agreement.

Risk Management

Our solutions are primarily regulated by the PBOC and State Administration of Foreign Exchange, under which service providers are required to obtain a business license covering "payment business." Pursuant to the Financial Law of the PRC (Draft) issued by March 2026, if adopted, we may be deemed a financial institution. See "Regulatory Overview — Laws and Regulations related to Non-Bank Payment Institutions." Regulatory oversight focuses on compliance with permitted business scope, supervision by financial regulatory authorities, restrictions on transfer limits and service fees, and the implementation of anti-fraud and anti-money laundering measures, as well as the authenticity of underlying transactions and transaction parties. As advised by our PRC Legal Advisor, save for the incidents disclosed in "— Legal Proceedings and Compliance — Compliance," which we do not believe have had, or will have a material adverse effect on our business operations or financial results, during the Track Record Period and up to the Latest Practicable Date, we had complied with all relevant laws and regulations applicable to us in all material respects concerning our payment solutions.

In response, we have established a comprehensive risk management system covering pre-, ongoing and post-risk control for our payment solutions. We also continuously monitor and review our risk management and internal control systems, and adapt to the changes in market conditions, our service and solution offerings, and the regulatory environment.

- *Customer Registration.* We have set up and strictly implemented Know-Your-Business and Know-Your-Customer procedures. Under both procedures, we verify customer identity and qualifications to ensure payments relate only to genuine cross-border B2B physical goods trade, conduct sanctions and risk checks with reference to applicable laws, regulations and standards, and assess risks relating to fraud, money laundering and counterfeit or substandard goods. Our risk management team will initially review merchant information. If the team detects anomalies in merchant background or sources of fund, they will escalate to the broader risk management and anti-money laundering teams for secondary review. After customer onboarding, we conduct ongoing sanctions and watchlist screenings.

- *Ongoing Transactions.* We identify suspicious activities through a combination of anti money-laundering and monitoring procedures, customer due diligence and risk rating processes, sanctions and watchlist screening, transaction reviews, internal reporting, adverse media monitoring, regulatory notifications, information from the PBOC, and alerts from cooperating institutions such as UnionPay and Alipay. Once we identified suspicious transactions, we submit them to a structured multi-level review and escalation process involving initial analysis, independent anti-money laundering review and supervisory approval. Upon internal confirmation, we submit suspicious transaction reports electronically within prescribed regulatory timelines, with enhanced reporting for suspected terrorist financing, to ensure timely detection, consistent assessment and effective compliance with applicable anti-money laundering and counter-terrorist financing requirements.

- *Post-Settlement.* We have established an information security and data protection framework incorporating classified protection measures, system security controls and ongoing risk monitoring. We conduct regular security and compliance assessments to strengthen account information security. See " — Data Security and Privacy."

<u>Pricing Policy</u>

We adopt a tiered pricing mechanism based on each customer's business scale, primarily measured by the transaction volume and frequency conducted through our platform. Under this approach, applicable service fees that ranges from 0.1% to 0.4% are quoted on a graduated basis, with larger transaction volumes benefiting from more competitive pricing. We charge currency rate quotation differences between PBOC-determined rate and the rate we offered to customers. This flexible pricing structure allows us to tailor foreign exchange settlement rates to customers' actual usage patterns and support scalable growth of their cross-border trade operations.

Credit Reporting Services

As an enterprise credit reporting institution registered with the PBOC Zhejiang Branch, we primarily provide (i) credit report and (ii) underlying enterprise credit information to financial institutions. We provide our services based on data sourced from government. Ownership of such data remains with the relevant authorities, and our use of such data is strictly limited to the permitted scope. We process and analyze these data to generate credit insights, which are delivered to financial institutions through standardized credit reports, data interfaces and system modules, supporting their credit approval and risk management processes in respect of small and micro enterprises. In the course of our service, we do not engage in lending activities, nor do we assume credit risks in financial transactions that referred to credit information.

Risk Management

Our credit reporting services are primarily regulated by the Regulation on the Administration of the Credit Reporting Industry and other applicable laws and regulations, under which enterprises must obtain a business license covering "credit reporting business" but are not classified as financial institutions. Regulatory oversight focuses on compliance with permitted business scope, supervision by the PBOC and its branches, restrictions on clients served and limitations on non-compliant credit reporting activities, as well as the legality, validity, use, encryption and processing of source information. In response, we mandate our staff to properly document, retain and safeguard all investigation materials, customer credit information and business records under controlled access, secure handling and standardized archiving, with strict prohibitions on unauthorized use or disclosure. We have also established a comprehensive risk management framework to ensure the compliant use of data and the integrity of our credit reporting services:

- *Data Cleansing.* Our data is subject to systematic validation, logical checks and cross-verification at various stages, including data entry, processing and output. We also flag anomalies and abnormal values for review and correction in a timely manner. We allocate data cleansing duties across departments, with business development team responsible for data accuracy during collection and the technical team supporting system-based control and cleansing. We document, track and rectify subpar data during self-inspections and internal review.

- *Data Access.* We implement a structured control framework based on data classification and graded protection principles. We classify data into different sensitivity level with differentiated disclosure, access, masking, approval and technical safeguards to prevent unauthorized use, disclosure or misinterpretation. System access for employees and customers is strictly controlled on a real-name and role-based basis, with differentiated permissions, formal approval for account creation, modification and deactivation, and comprehensive logging and monitoring of user activities relating to data access and display. For details, see "— Data Security and Privacy."

As advised by our PRC Legal Advisor, we had complied in all material respects with applicable PRC credit-reporting-related laws and regulations during the Track Record Period and up to the Latest Practicable Date.

Pricing Policy

During the Track Record Period, we generated revenue primarily from product subscriptions paid by Yiwu-based financial institutions. Our annual subscription is a standardized package covering a pre-determined number of requests. The price for each standardized package generally ranges from RMB20 thousand to RMB200 thousand. For certain services such as credit reports, we also offer an uncapped add-on arrangement, under which we charge additional amounts per request. We separately charge requests exceeding the subscribed quota, generally at a higher price per request than those within the package, due to the incremental operational resources required for processing such requests on an individual basis. In addition, we offer bundle discounts where customers subscribe to multiple products and the aggregate subscription amount exceeds specified thresholds.

Factoring Services

Our factoring business provides short-term trade financing solutions to merchants by purchasing eligible accounts receivable from merchants arising from genuine and lawful underlying transactions. Through such arrangements, we enable merchants to accelerate cash conversion and improve working capital efficiency, while facilitating smoother transaction flows across our trade ecosystem. We generate revenue from factoring interests and related service fees and conduct business using self funds. In 2023, 2024 and 2025, we served 163, 176 and 158 merchants, respectively.

Our factoring services are primarily conducted on a recourse basis. In particular:

- *Service Application.* We acquire eligible accounts receivable from merchants at a discount based on genuine underlying trade transactions and provide upfront financing. We subsequently collect payments directly from the underlying debtors.

- *Collateral and Credit Enhancement.* In certain circumstances, we may require merchants to provide security, including pledges over market booth usage rights and associated rights, as well as other forms of collateral or guarantees. Such arrangements secure merchants' present and future obligations under the factoring agreements. Factoring applicants are generally permitted to retain use of the pledged assets prior to enforcement, subject to contractual restrictions on disposal, and the pledge is perfected through registration with the relevant market operator and PRC agency. Upon the occurrence of enforcement events, we are entitled to realize the pledged assets in accordance with PRC laws.

- *Recourse Mechanism.* We are entitled to demand repayment directly from merchants if they are unable to settle account repayment or specified triggers as mandated in contracts. Receivables must also meet agreed eligibility criteria, including authenticity, enforceability and legal compliance. Where receivables fail to meet such criteria, merchants may be required to replace the receivables or make cash shortfall payments.

- *Receivable Quality Control.* Receivables must meet agreed eligibility criteria, including authenticity, enforceability and compliance with applicable laws. Where receivables fail to meet such criteria, merchants may be required to provide replacement receivables or make cash shortfall payments.

<u>Risk Management</u>

Our factoring services are primarily regulated under the Notice on Strengthening the Supervision and Administration of Commercial Factoring Enterprises and other applicable laws and regulations. Enterprises engaging in factoring business are required to obtain a business license with a permitted scope covering "factoring business," but are not currently classified as financial institutions by the regulatory authorities. Regulatory requirements primarily focus on compliance with prescribed business scope, supervision by local financial regulatory authorities, and adherence to restrictions on funding sources, leverage and risk exposure, including limitations on non-compliant financing activities. In practice, factoring companies are also subject to requirements relating to the authenticity of underlying transactions, credit risk management and concentration control. See "Regulatory Overview — Regulations Related to Commercial Factoring." As such, we strictly review merchant applications in ensuring authenticity in their identity and their underlying account receivables.

Each factoring transaction undergoes a structured approval process led by our business development and risk management teams, covering feasibility, applicant legality and compliance, creditworthiness, transaction authenticity, enforceability of receivables and collateral, regulatory compliance and receivables registration with the PBOC. Identified risks must be mitigated prior to disbursement, and transactions are subject to ongoing post disbursement monitoring leveraging our access to merchants' operating data, transaction records and marketplace infrastructure.

As advised by our PRC Legal Advisor, we had complied in all material respects with applicable PRC factoring-services-related laws and regulations during the Track Record Period and up to the Latest Practicable Date.

Pricing Policy

Factoring fees charged to merchants are primarily determined by merchant applicants' time value of funds (the value of funds over time) and their credit risks. Prior to contracting, our business team and risk management team assess factoring applicants via rating. We then determine factoring fees based on our rating. In circumstances where we require collateral, we also factor value of this collateral in applicant rating. We also consider other factors such as industry, booth value evaluated by location and rent and booths' appraisal value. As we provide factoring services, we continuously update our assessment of each applicant. Thus, we may adjust fees within a reasonable range.

Commodity Sales

Our commodity sales business involves the sale of selected products through trading and retail activities in which we act as a principal. Built on the supply chain resources and integrated trade service capabilities within our commodity trading ecosystem, we are able to source and distribute goods efficiently across both the domestic and international markets.

We primarily conduct commodity sales through two channels: (i) domestic and cross-border trading, under which we organize and execute large-scale transactions by sourcing products from domestic and overseas suppliers and selling them to downstream trading partners; and (ii) new retail operations, under which we sell curated products directly to end-customers under our proprietary ICMALL brand through both online and offline channels. Through these activities, we facilitate key elements of the trade value chain to improve transaction execution efficiency and scalability, while creating clearer pathways for the circulation and value realization of goods. During the Track Record Period, revenue from our commodity sales business amounted to RMB6,791.6 million, RMB9,257.2 million and RMB9,984.0 million in 2023, 2024 and 2025, respectively.

Domestic and Cross-Border Trading

We conduct trading activities through integrated domestic and cross-border sourcing and sales, translating market insights into actionable channel expansion and stronger supply-demand matching, supporting market growth and strengthening our position within the trade value chain. In our domestic trading business, we primarily engage in bulk agricultural commodity trading, sourcing from domestic suppliers and supplying them to domestic trading partners. In our import trading business, we procure products from overseas suppliers and resell such products to domestic trading partners within the PRC. Our import trading products primarily include daily consumer goods, cold-chain aquatic products, frozen meat, agricultural and sideline products and cosmetics, among others. In our export trading business, we procure products from domestic manufacturers and marketplace merchants and resell them to overseas trading partners, with our export trading products primarily including manufactured goods such as hardware products, electronic and electrical appliances, and automotive-related products. Across these trading models, we act as the transaction principal and assume title ownership and inventory risk.

Below sets forth key operating data of our trading business during the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
	(RMB in million)		
Domestic trading revenue	2,296.6	2,165.9	2,877.7
Import trading revenue	4,159,1	6,521.9	6,327.2
Export trading revenue	290.7	511.4	693.7
Total trading revenue	**6,746.4**	**9,199.2**	**9,898.6**

Engagement of Trading Partners

We sell trading products to downstream trading partners in the ordinary course of our trading business. Such trading partners are independent market participants engaged in their own trading activities, who purchase products from us based on their own business needs and resell such products to their downstream customers, including traders, wholesalers and retail chains. These trading partners operate independently and are not engaged by us for the purpose of developing or expanding our end-customer base. We engage trading partners in accordance with general market practices commonly adopted in the trading industry. Our assessment of trading partners is based on customary commercial considerations, including their business scope, compliance capabilities and transaction feasibility, rather than any strategic channel development objectives. We do not impose sales targets, geographic restrictions or customer allocation requirements on trading partners, and our interactions with them are limited to individual transactions.

The following table sets forth the movement in the number of our trading partners during the years indicated:

	Year ended December 31,		
	2023	2024	2025
Number of trading partners at the beginning of the year	199	280	361
Number of trading partners newly engaged	115	103	155
Number of trading partners terminated	34	22	43
Number of trading partners at the end of the year	**280**	**361**	**473**

The termination of cooperation with certain trading partners during the relevant years was primarily attributable to (i) certain partners exiting specific product categories and discontinuing cooperation, and (ii) some partners voluntarily terminating cooperation after ceasing operations due to macroeconomic conditions, the prevailing market operating environment, or their own operating performance.

To the best of our knowledge, as of the Latest Practicable Date, all of our trading partners were Independent Third Parties. None of our trading partners was financed by us, and there were no employment or family relationships between our trading partners and us as of the Latest Practicable Date.

Sales Arrangement

Our transactions with trading partners are conducted on a buy-out basis under standard sales arrangements and on arm's-length terms. Each transaction is negotiated and executed independently, and trading partners assume full responsibility for the subsequent resale of products, including pricing, customer selection, inventory management and market strategy. Following completion of each transaction, we do not retain any control over, or involvement in, their downstream business activities.

The salient terms of our typical sales agreements with trading partners are set forth below:

Product Specifications	Each sales contract specifies the product type, specifications or grade, quantity, pricing basis and total consideration, as agreed by the parties.
Payment and Delivery	Trading partners are generally required to make payment within agreed timeframes ranging from five to 90 days, primarily via bank transfer, and products are typically delivered on a self-pickup basis at designated locations.
Pricing	We do not apply standardized pricing arrangements across different customer groups, nor do we enter into ongoing or post-transaction pricing arrangements. Pricing is determined on a transaction-by-transaction basis. Following completion of a sale, customers independently determine their subsequent pricing and sales strategies, and we do not retain any continuing involvement or control over such decisions.
Quality Control	Products are required to comply with applicable PRC quality and inspection standards, and trading partners are required to conduct inspection within the agreed acceptance period.
Product Return	No returns or exchanges are allowed unless the products are confirmed non-conforming within the agreed quality acceptance period.
Termination	In the event of trading partner default, including failure to make timely payment or refusal to accept delivery, we are entitled to terminate the contract and pursue contractual remedies.

Channel Stuffing Risk Management

Given the nature of our trading model, we have limited visibility over the downstream activities of trading partners, other than general commercial understanding obtained through routine communications, which is primarily used to support our sourcing decisions and business planning. Trading partners operate in a demand-driven environment, and their procurement decisions are primarily driven by their own sales expectations and inventory management considerations. Accordingly, risks typically associated with channel stuffing are inherently limited in our business model. Trading partners do not have incentives to accumulate inventory beyond their operational needs, as they bear the full commercial risks associated with downstream sales. In addition, our transaction-based sales approach, absence of sales quotas or incentive schemes and the arm's-length nature of pricing arrangements further reduce the likelihood of abnormal purchasing patterns. During the Track Record Period, we did not observe any material inventory accumulation or abnormal procurement behavior among our trading partners.

Cannibalization Risk Management

Risks associated with cannibalization among downstream trading partners are also limited in our business model. Trading partners operate independently in a competitive and demand-driven environment and are not assigned exclusive territories, customer groups, product segments or pricing parameters by us. We do not impose restrictions on their sales channels or target markets, nor do we coordinate or manage their downstream customer allocation or control or direct their downstream pricing strategies. Any overlap in customer base or market coverage arises from normal market competition rather than our business arrangements, and does not give rise to material operational or financial risks to our business.

Supply Chain Management

Under our trading business, we centrally organize product sourcing, procurement coordination and trade execution activities. By acting as principal throughout, we transform disparate transactions into standardized, efficient and scalable trade flows with controlled risk. We selectively procure products on a buy-out basis. Supplier selection emphasizes quality compliance, delivery reliability, cost competitiveness and alignment with market demand, ensuring a stable and diversified supply base that supports consistent offtake and minimizes disruption risks.

We actively manage our inventory to optimize turnover efficiency and ensure timely product availability, while minimizing the risks of obsolescence and excessive capital lock-up. Inventory planning and distribution arrangements are primarily based on order profiles, delivery schedules and product characteristics.

For our domestic trading activities, we engage third-party logistics providers to support warehousing and transportation where applicable. In our cross-border trading businesses, we engage third-party service providers to handle logistics-related services in accordance with our instructions and entrustment, including cargo booking, container release, trucking, marine declarations, customs declaration and clearance, and required inspections for both general and dangerous goods. All related customs declaration expenses are borne by us, while all related transportation expenses are borne by our customers. To further mitigate the risks of supply disruption, logistics delays and procurement price fluctuations, we maintain diversified sourcing channels, closely monitor market conditions and adopt flexible procurement and delivery arrangements as needed. Our transaction-driven trading model also enables us to adjust sourcing volumes and execution timing in response to changes in customer demand and supply conditions. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material supply chain disruptions that had a significant adverse impact on our import and export trading operations.

Pricing

Pricing for our trading business is determined on a transaction-by-transaction basis, taking into account a combination of market conditions and deal-specific factors. In setting prices, we primarily consider product type and specifications, procurement costs, logistics and transportation arrangements, foreign exchange factors, order volume, delivery terms and prevailing market prices at the time of the transaction. Prices are negotiated with customers on an arm's-length basis and reflect the commercial terms agreed for each individual transaction, which is consistent with the transactional nature of our trading activities and prevailing market practices.

Customer Support

Customer support for our trading business primarily focuses on facilitating trade execution, coordinating logistics and documentation, and addressing operational inquiries arising in the ordinary course of cross-border trading activities, typically including coordination relating to order confirmation, delivery scheduling, customs declaration and clearance documentation, logistics arrangements and settlement matters. Support is provided on a transaction-specific basis and is aligned with the transactional nature of our import and export trading activities. Such support is rendered strictly within the scope of our contractual obligations in connection with the relevant transaction, for which responsibilities are borne and enforceable in accordance with the applicable contracts.

Trade Facilitation Initiatives

A portion of our export trading is conducted under the Market Procurement Trade Model, which we utilize to facilitate export transactions involving goods sourced from Yiwu's designated market clusters. The model provides a streamlined regulatory framework for eligible export transactions, supporting more efficient customs clearance and tax handling within prescribed shipment value thresholds. In addition, our export trading activities are carried out within an integrated institutional framework supported by multiple national-level open platforms, including the pilot free trade zone, the national comprehensive cross-border e-commerce pilot zone, the comprehensive bonded zone and the pilot zone for comprehensive international trade reform. Together, these platforms have promoted coordinated improvements in customs clearance, inspection and quarantine, foreign exchange settlement and tax administration, further enhancing trade facilitation for small commodity exports.

In connection with our import trading business, we participate in import trade facilitation initiatives implemented under Yiwu's comprehensive international trade reform framework. Certain qualifying imported consumer goods are subject to positive list management, under which only eligible products and approved trading entities are permitted to operate within the relevant regime. We are a pilot enterprise under an import trade innovation program implemented pursuant to China's comprehensive international trade reform framework, which authorizes us to conduct import trading activities in accordance with the applicable pilot arrangements. Under this framework, import transactions are conducted through optimized customs clearance procedures and are subject to enhanced regulatory oversight, including digitalized quality and compliance monitoring, in accordance with the applicable regulatory requirements.

New Retail Operations — ICMALL (愛喜貓)

As part of our strategy to extend the commercial value of the Yiwu China Commodities City ecosystem into consumer-oriented distribution channels, we established ICMALL as our proprietary new retail brand primarily targeting end-consumers. ICMALL curates a diverse product portfolio combining imported consumer goods and selected domestic products sourced from Yiwu and other supply chains. As of December 31, 2025, the ICMALL product portfolio comprised more than 20,000 SKUs, spanning six principal categories, namely home and lifestyle products, beauty and personal care products, maternal and infant products, food and beverages, cultural and creative products, toys and consumer electronics.

Unlike our market operation business, which primarily provides a trading venue and supporting infrastructure for merchants, the ICMALL business focuses on downstream demand and primarily serves end-consumers. We adopt a coordinated online-to-offline ("**O2O**") channel management approach to ensure consistency in brand positioning, pricing discipline, product standards and consumer experience across our online and offline sales channels. This approach supports effective linkage between online and offline channels, enhances operational efficiency and reinforces a unified brand perception.

Our Offline Channel

We leverage our offline store network under the O2O retail model to enhance brand reach and facilitate coordinated online and offline development. In 2023, 2024 and 2025, revenue generated from our offline stores amounted to RMB24.8 million, RMB35.9 million and RMB33.2 million, respectively. Our offline channels comprise partner-operated and directly-operated stores, strategically laid out based on business and regional needs and optimized over time to improve operational efficiency and customer experience.

<u>Partner-Operated Stores</u>

Partner-operated stores constitute an important channel of ICMALL's offline sales. Under our partnership model, stores are registered by third-party partners, while we retain centralized control over core aspects of store operations. This structure allows us to extend our offline presence while maintaining consistent brand image and operational quality standards.

Under this model, store partners are responsible for day-to-day on-site operations, including fire safety management, administrative and regulatory compliance, security matters and coordination with property management. We retain centralized control over key operational matters, including product procurement, pricing policies, cashier and point-of-sale systems, and unified operational standards. We are solely responsible for determining the selling prices of all products. As inventory ownership remains with us until sale to end-consumers, no return arrangement applies between store partners and us, and we assume full responsibility for product returns and after-sales services in connection with sales to end consumers.

We select store partners based on standardized criteria designed to ensure operational reliability and alignment with our brand and management requirements. In evaluating prospective partners, we assess factors such as local market experience, financial capability, operational resources and retail track record. All prospective store partners are subject to internal review and approval prior to onboarding, and their performance is continuously monitored and evaluated throughout the cooperation term.

The key commercial terms of our partnership model are summarized below:

Duration and Termination	Partnership agreements are typically entered into for a term of 36 or 96 months and may be renewed by mutual agreement at least 30 days prior to expiry. We may immediately terminate the agreement in the event of a material breach.
Branding and Store Establishment	We retain sole ownership of the ICMALL brand and related intellectual property, and grant store partners a limited right to use the brand solely for the purpose of selling our products during the cooperation term. Store locations are centrally planned by us, while store partners complete business registrations and enter into lease agreements with property owners based on our arrangements. Store partners bear the costs of store establishment and operation, including renovation, rent and personnel-related expenses.
Inventory Management	All inventories sold at the stores are procured by us, and ownership remains with us until sale to end customers. Revenue is recognized upon the sale of products to end customers.

Revenue sharing and Settlement	Partners receive a share of store sales revenue, typically based on an agreed percentage. Sales proceeds are collected through our centralized cashier system and settled between us and the store partners according to the agreed mechanism and settlement cycles in the relevant agreements.

As of December 31, 2023, 2024 and 2025, the number of our store partners was 7, 13 and 18, respectively, and we had 7, 18 and 22 partner-operated stores, respectively. In 2023, 2024 and 2025, revenue generated from partner-operated stores amounted to RMB5.1 million, RMB19.4 million and RMB15.4 million, respectively.

To our best knowledge, as of the Latest Practicable Date, all of our store partners were Independent Third Parties. To our best knowledge, there was no employment, financing or family relationship between our store partners and us during the Track Record Period.

Directly-Operated Stores

We also maintain a number of directly-operated stores. All directly-operated stores are operated under a leasing model, pursuant to which we lease retail premises from shopping malls or other commercial properties. Directly-operated stores are primarily used for operational testing, business model validation, new product launches and internal process optimization, and are directly managed by us. We maintain consistent store design standards, spatial layouts and service quality across our retail network to ensure a uniform brand image and consumer experience. As of December 31, 2023, 2024 and 2025, we had 10, 7 and 7 directly-operated stores, respectively. In 2023, 2024 and 2025, revenue generated from directly-operated stores amounted to RMB19.7 million, RMB16.5 million and RMB17.8 million, respectively.

Our Online Channel

In addition, we operate a WeChat mini program store, which primarily serve as supplementary sales channels to enhance customer reach and facilitate transaction convenience. In 2023, 2024 and 2025, revenue generated from our online e-commerce platform amounted to RMB0.5 million, RMB1.2 million and RMB2.3 million, respectively.

Supply Chain Management

Under the ICMALL business, we centrally manage product sourcing, merchandising and supply chain operations. We procure products primarily on a buy-out basis from domestic and overseas suppliers, supported by a structured supplier selection and performance management process and diversified sourcing arrangements to enhance supply stability, control quality and ensure cost competitiveness. Inventory planning is based on sales forecasts, product life cycles and store-level sell-through data, with warehousing, logistics and inventory handling coordinated through qualified third-party providers. During the Track Record Period and up to the Latest Practicable Date, we did not experience any supply disruptions or procurement-related price fluctuations that had a material adverse impact on the ICMALL business.

Customer Support

After-sales matters under the ICMALL business are primarily handled at the store level in line with applicable laws, cooperation agreements and standardized guidelines, with us providing overarching policy guidance as needed. We respond to consumer return and exchange requests strictly in accordance with applicable laws and regulations. During the Track Record Period, our average return and exchange rate was approximately 0.8%, which was lower than comparable offline-oriented retail formats, according to CIC, and we did not experience any material sales returns or major legal claims related to product safety or quality control during the Track Record Period and up to the Latest Practicable Date.

Ancillary Services

Exhibition and Convention Services

We plan and organize domestic and international exhibitions; as well as operate and manage Yiwu International Expo Center, our exhibition venue with a GFA of approximately 284.6 thousand sq.m. In our self-organized exhibitions, we either operate and manage the whole exhibition, or as the organizer of specific sections. We are responsible for overall exhibitor recruitment, fee collection and operations. Our organization effort begins with strategic planning, during which we approve budgets, define target audience and exhibitor categories. After bigger-picture planning, we execute by coordinating booth layout design, outreach to our target audiences and logistics such as reviewing exhibitor applications and signing contracts. After we organize or manage each exhibition, we review and analyze attendee flow, reactions and cost allocations. In 2023, 2024 and 2025, we organized approximately 52, 55 and 63 exhibitions, respectively, covering the major industry categories available in Chinese mainland. In addition, we offer exhibition-related supporting services, including exhibitor solicitation and on-site exhibition management.

We also bring our exhibition and convention services overseas by organizing Yiwu Fair in Southeast Asia and South America. We invite and introduce merchants from Chinese mainland in presenting their products but do not conduct on-site retail transactions. Through face-to-face interactions with local buyers during exhibitions such as Yiwu Fair, Chinese mainland merchants may access incremental opportunities in capturing intended orders. As of December 31, 2025, we had cumulatively deployed approximately 41 overseas exhibition projects, with an aggregate overseas exhibition area of approximately 49,000 sq.m. across more than 18 countries.

We generate revenue through (i) venue rental charged to those using Yiwu International Expo Center and (ii) participation fee charged to exhibitors who participate and present their products in fairs organizes by us. Our participation fees vary by exhibition scales and exhibition types (i.e. consumer fair or specialized fair), with distinct rates for indoor and outdoor exhibition halls. We also charge additional fees for booths with more intricated designs. In determining our pricing, we factor into fees charged by comparable exhibition venue, scale of exhibition and convention as well as market preferences.

Hospitality and Ancillary Catering Services

We operate a diversified portfolio covering hotels, service apartments and two ancillary catering brands, providing back-end convenience services that complement local commodity trade ecosystem in Yiwu.

Our Hospitality Services

We operate a hospitality portfolio of ten hotels and service apartments. Our hotels cater to customers across different demographics and travel purposes, while our service apartments primarily provide long-term accommodation for participants in the trade industry. Together, this portfolio supports and complements the surrounding commercial and office ecosystem. Our hotels and service apartments provide integrated services including accommodation, catering, conference and leisure services, with revenue primarily derived from room sales, food and beverage services, merchandise sales and conference venue leasing.

As of the Latest Practicable Date, we (i) self manage eight hotels and service apartments; and (ii) manage two hotels as mandated by third-party property owners. Under both models, we are responsible for day-to-day operations, including setting annual budgets, establishing quality management systems and implementing marketing strategies, as well as building management teams, recruiting, training and supervising managers and staff. We have established a unified hotel management and operating system, under which we centrally manage hotel operations and monitor customer data and operating metrics. In respect of managed hotels mandated by third-party property owner, such third party oversees hotel spending, budgets, fund movements, and cost of sales. They also conduct periodic audits and approve capital expenditure for renovations and upgrades — all to support our operational objectives and financial performance across all hotels.

The following outlined each of our self-managed hotels, managed hotels mandated by third-party property owners and service apartments in operation as of the Latest Practicable Date:

Name	Description	Number of Rooms	Business model
Our Hotels			
Yandoo Hotel (銀都酒店)	Adjacent to Yiwu International Trade City, this hotel offers large-scale catering facilities.	303	Self-manage
Shangcheng Hotel (商城賓館)	Located near Huangyuan Market, this hotel offers meeting and leisure facilities.	266	Self-manage
Yandoo Ocean Hotel (海洋酒店)	Located in Yiwu International Trade City District 2, this hotel offers conference rooms and in-door gym.	251	Self-manage
Yandoo Yayue Hotel (雅悅酒店)	Adjacent to Yiwu International Production Materials Markets, this hotel offers a multipurpose hall and rooms with floor-to-ceiling windows.	261	Self-manage
Expo Center Hotel (國際博覽中心酒店)	Located near the International Expo Center, this hotel offers meeting, banquet and lodging facilities.	360	Self-manage
Yandoo Jin Hotel Yiwu (璟悅大畈民宿)	Approximately an hour's drive from downtown Yiwu, this hotel primarily caters to leisure stays, team-building activities and short-term retreats.	41	Self-manage
Yayu Hotel (雅寓酒店)	Located in the Global Digital Trade Center, this hotel offers a lobby bar, gym and livestreaming space.	205	Self-manage
Your World International Conference Center (幸福湖國際會議中心)	Located within Yiwu Botanical Garden, this garden-style hotel offers meeting facilities and kids' zone.	368	Manage as mandated by third-party property owner
Yiwu Greeting Hotel (黨校迎賓館)	Located amidst mountains and Liming Lake, this hotel offers large-scale conference, dining and learning facilities as well as leisure amenities.	277	Manage as mandated by third-party property owner
Our Service Apartments			
Commodities City Dreamer Apartment (商城夢想家公寓)	Adjacent to the Global Digital Trade Center, it offers fully furnished units and smart management services. First group of tenants moved in on October 2025.	1,001	Self-manage

Hotel Management

We centrally manage and record hotel operating data and customer profiles through a unified PMS system. During the Track Record Period and up to the Latest Practicable Date, we did not receive any material customer compliances in relation to our hotel operations. We implement strict standards across branding, operations, human resources and financial performance. To ensure brand consistency, we deploy unified visual branding elements such as logos, color schemes and signage and standardized guest service protocols such as front-desk service protocols, daily housekeeping, periodic lobby cleaning and table turnover time during peak hours. We apply universal standards when recruiting in all hotels, such as pre-onboarding training and on-the-job evaluations based on promptness in customer services and performance metrics ranging from customer satisfaction rate to capabilities in customer retention and marketing efforts.

Pricing Policy

We adopt a dynamic and market-oriented pricing model for hotels and service apartments. Our room rate and rental are determined by prevailing rates of comparable hotels and apartments in the surrounding area. We also take into account the condition and positioning of hotels' facility and infrastructure. Our rate and rental are adjusted by occupancy levels and market demand.

Management fees we received from third parties are likewise determined on a market-based basis, with reference to prevailing fee structures adopted by comparable hotel management groups.

Our Ancillary Catering Services

We provide ancillary catering services to our employees, merchants and visitors in our physical marketplaces and offices through Fingertip Canteen and Yandoo Café. As of the Latest Practicable Date, we operated 17 Fingertip Canteens and six Yandoo Cafés, respectively.

Fingertip Canteen is a centrally-managed, canteen-style ancillary facility providing convenient, nutritious and affordable meals within our markets and offices through a mixed model of self-operated and third-party stalls. Within 17 Fingertip Canteens, we hosted 17 self-operated stalls and 31 third-party stalls as of the Latest Practicable Date. Our self-operated stalls offer boxed lunches and light, nutritionally balanced meals with seasonal menu adjustments, while hosting third party operators serving traditional Chinese and selected Western cuisine in compliance with our unified standards on food safety, service quality, brand presentation and operating hours. As of December 31, 2023, 2024 and 2025, our average daily sales of canteens in operation amounted to RMB45.1 thousand, 60.2 thousand and 83.4 thousand, respectively.

Yandoo Café complements our catering offerings as a grab-and-go beverage outlet operating under a standardized model with centralized menu management and pricing oversight, providing coffee, milk tea and fruit-based drinks to meet customers' quick refreshment needs. Amongst six Yandoo Cafés as of the Latest Practicable Date, two were located within our Fingertip Canteens, with the rest constitutes standalone outlets. As of December 31, 2023, 2024 and 2025, our average daily sales of Yandoo Café amounted to RMB2.3 thousand, 2.8 thousand and 3.8 thousand, respectively.

We source food ingredients from qualified suppliers. Food ingredients from these suppliers must pass our inspection and quarantine, supported by traceability documentation. We conduct a secondary inspection upon delivery and reserve the right to perform random sampling tests, including engaging third party testing institutions, and may reject or return products that fail to meet quality or safety requirements.

We are committed to preventing contamination and ensuring food safety throughout processing and storage by implementing classification-based storage, cold chain management, disinfection procedures, and retaining food samples in accordance with regulatory requirements. All food handlers are required to hold valid health certificates and participate in regular food safety and hygiene training. We maintain robust incident response and accountability mechanisms to facilitate timely remedial actions and drive continuous improvement in food and service quality. Our store management team conducts monthly inspections of food ingredients, finished products, operating procedures, and hygiene conditions. To further enhance our service, the team records and reviews customer feedback collected via mini programs and investigates any unsatisfactory feedback. The catering department manager is designated as the person responsible for food safety, while each store manager is accountable for on-site quality control.

In safeguarding consumer interests, maintaining consistent service quality and mitigating operational, compliance and reputational risks associated with third-party stall operations, we have strictly implemented the following management framework:

- *Admission Process.* We require prospective operator to hold valid business certificate, licenses and permits in restaurant operation, food safety and hygiene as well as satisfactory compliance records. We assess applicants based on commercial qualifications, product quality, pricing strategy and operational capability.

- *Ongoing Management.* We enter into cooperation agreements with successful candidates, specifying business scope, revenue sharing, performance standards, term and termination arrangements. We centrally manage all third-party stalls with unified standards on food safety, service quality, pricing, branding and hours of operation. In addition, we impose obligations in food safety, public security, workplace safety and regulatory compliance, supported by routine and ad hoc inspections covering hygiene, ingredient sourcing, staff qualifications and operational practices.

- *Compliance Requirements.* Where deficiencies, non-compliance or other material breaches are identified, we may require corrective actions within a prescribed timeframe and impose corresponding management measures. Depending on the severity of the issue, such measures may include written warnings, rectification orders, suspension of operations, withholding of settlement amounts, deduction of security deposits or termination of the cooperation agreement.

During the Track Record Period and up to the Latest Practicable Date, we were not involved in any material investigation regarding the food safety and quality of our canteens and cafés by any government authorities.

Ancillary Facility Development and Sales

Our ancillary facility development and sales projects primarily intend to support and enhance our integrated trade ecosystem by providing functional spaces for merchants, trade service providers and related market participants. During the Track Record Period, we operated three projects as set forth below:

	Global Digital Trade Center (全球數貿中心)	Yiwu Cross-Border E-Commerce Logistics Park (S3) (跨境電商物流園S3)	Haicheng Market (海城市場)
Project Type	Trade complex	Warehouses	Physical marketplace
(Estimated) Completion Date	T1 and T2 office buildings: December 2027 T3 to T7 office buildings: December 2025 Business Street: December 2025	2024	2021
Completed GFA (sq.m.)	T1 and T2 office buildings: — T3 to T7 office buildings: 154,041 Business Street: 39,891	393,279	97,800
Saleable GFA (sq.m.)	T1 and T2 office buildings: 117,402 T3 to T7 office buildings: 150,738 Business Street: 38,110	366,813	88,779

- ***Global Digital Trade Center.*** Commenced operation in October 2025, the Global Digital Trade Center is a next-generation modern trade platform that integrates commodity display, digital innovation, incubation of new industries and supporting services. The Global Digital Trade Center occupies a total site area of approximately 374,667 sq.m. and a total GFA of approximately 1.25 million sq.m., including physical marketplaces, office buildings, business street, service apartments and digital trade port. As of the Latest Practicable Date, two office buildings, namely T1 and T2, were under development.

  We offer seven office buildings and business street for sale. T1 and T2 are ultra high-rise office buildings designed for companies engaged in domestic and cross-border trading. Cumulatively, they have a GFA of 206,304 sq.m., with 233 saleable office units comprising a saleable area of 117,401.6 sq.m. As of the Latest Practicable Date, T1 and T2 were still under construction and are expected to complete in December 2027. T3 to T7 office buildings, cumulatively, have a GFA of 154,041 sq.m., with 314 saleable office units comprising a saleable area of 150,738 sq.m. As of the Latest Practicable Date, we had delivered T3 to T7 and sold out most of saleable units in T3 to T7. We also offer the first floor of the business street for sale, comprising shop units for merchants. The first floor, cumulatively, has a GFA of 18,670 sq.m., with 88 saleable shop units comprising a saleable area of 17,655 sq.m. As of the Latest Practicable Date, the first floor of the business street had been delivered, with a sold-out rate of approximately 94.1%.

- ***Yiwu Cross-border E-commerce Logistics Park (S3).*** Commenced operation in 2024, Yiwu Cross-border E-commerce Logistics Park (S3), with an aggregate GFA of 386,654 sq.m., offers merchants warehousing services such as warehouse rentals. As of the Latest Practicable Date, we had sold five warehouses to third-party property management provider, while one warehouse has completed auction and is in the selling process. Amongst them, total area sold amounts to 296,551.73 sq.m. and total saleable GFA amounts to 366,812.73 sq.m.

- ***Haicheng Market.*** We held Haicheng Market, a physical marketplace in Liaoning, China, in 2023 and 2024. We offer 1,156 individual shop units in Phase II of this market for sale, with an aggregate GFA of 88,964 sq.m. As of December 31, 2023, we had sold 907 shop units with an aggregate sold GFA of 75,462 sq.m. As of the transfer detailed in "History, Development and Corporate Structure," Haicheng Market had 289 saleable units with an aggregated saleable GFA of 15,583 sq.m. We adopt a customer-specific pricing upon evaluating prevailing market trends.

In addition, we are developing a project in Hangzhou designed for commercial and office purposes estimated to complete in 2029.

Prior to selecting a land for development, we will conduct market research on the potential demand for a property development on such site, determine the overall market positioning, establish a blueprint of the project design and calculate a target average selling price and gross profit margin for the project. We believe that all these measures help us acquire land prudently and develop our projects with clear market positioning from the beginning.

We typically engage third-party contractors for construction management. We typically incorporate detailed service quality standards into our agreements with subcontractors and conduct regular monitoring and performance evaluations to assess their compliance with such standards. When subcontractors deliver subpar performance, we may require them to implement corrective actions, and we also gather feedback through surveys of property owners and residents regarding service quality. Subcontractors that fail to meet our standards, do not achieve satisfactory performance reviews, or receive consistently adverse feedback may be removed from our list of qualified subcontractors.

We aim to deliver properties to our customers within the timeframe prescribed in the sale and purchase contracts (including the pre-sale contracts). During the Track Record Period and up to the Latest Practicable Date, we had not received material complaint regarding properties' acceptance. Further, as advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we had obtained all certificates and approvals required under applicable PRC laws and regulations for properties engaging in pre-sale.

RESEARCH, DEVELOPMENT AND IT INFRASTRUCTURE

Information technology and digital capabilities are a vital support for our business operations and form a solid foundation for driving continuous innovation and scalable growth. Our business encompasses multi-stage trading processes, a large and concentrated merchant ecosystem, diverse customer requirements, compliance and risk control needs, as well as complex fulfilment and delivery arrangements. Through ongoing advancement of information technology development and system iteration, we translate business rules, process requirements and coordination relationships inherent in complex trading scenarios into executable, traceable and scalable system capabilities. These capabilities ensure the efficient and stable operation of key stages, including customer access, merchant onboarding and management, online trading enablement, order and fulfilment coordination, settlement and payment processing and risk control.

Based on operational needs, we continuously develop and iterate core systems under a unified framework covering data, business rules and access controls, including: (i) merchant operation and digital trade systems for *Chinagoods*; (ii) digital product and trading matching systems; (iii) warehousing and logistics coordination systems; (iv) order and fulfilment tracking systems; (v) payment and settlement support systems (including payment-related platform capabilities); and (vi) customer support and reporting/analytics systems. Together, these systems support the efficient coordination of product flows, online order processing and fulfilment execution across our trading service business.

During the Track Record Period, our research and development expenses were RMB21.7 million, RMB23.2 million and RMB40.7 million in 2023, 2024 and 2025, respectively. As of December 31, 2025, our technology team comprised 1,308 engineers with extensive experience in system development and implementation, who work closely with our business, product and operations teams to understand requirements in complex trading and fulfilment scenarios and to continuously optimize system design and operational logic. We believe that an accurate grasp of business processes and close alignment with real operational scenarios enable us to continuously develop core systems while maintaining high delivery quality with a streamlined and efficient project structure.

The value of our R&D and information technology capabilities is reflected not only in system construction, but also in their ongoing contribution to operational efficiency, execution stability and customer service capability. Through enterprise system integration and connectivity, we can flexibly support customer access in different IT environments, improve onboarding efficiency and reduce implementation complexity. By embedding business rules, approval processes and exception-handling logic into our systems, we effectively reduce reliance on manual judgement, enhancing execution consistency and traceability. During the Track Record Period and up to the Latest Practicable Date, we did not experience any information technology system failures or outages that had a material adverse impact on our business operations.

OUR CUSTOMERS

We have a large, growing and loyal customer base. The table below sets forth our major customers under each of our business lines:

Business lines	Major Customers and locations
Market Operations	Merchants mainly in China
Trade Services	
— *Digital Trade Services*	Merchants mainly in China
— *Warehousing Services*	Warehouse tenants mainly in China, Spain and the Czech Republic
— *Trade-Related Financial Services*	Merchants, buyers visiting our markets, local financial institutions mainly in China
Commodity Sales	
— *Domestic and Cross-Border Trading*	Trading partners mainly in China
— *New Retail Operations*	End consumers mainly in China
Ancillary Services	
— *Exhibition and Convention Services*	Exhibitors, trade associations mainly in China
— *Hospitality and Ancillary Catering Services*	Travellers, employees, merchants and visitors in our physical marketplaces mainly in China
Ancillary Facility Development and Sales	Customers mainly in China

Our revenue from the five largest customers in each year during the Track Record Period was RMB4,167.7 million, RMB5,957.6 million and RMB5,581.2 million, respectively, accounting for 36.9%, 38.5% and 28.3% of our total revenue for the respective year. Over the same period, our revenue from the single largest customer in each year during the Track Record Period was RMB1,799.5 million, RMB1,580.5 million and RMB1,767.9 million, accounting for 16.0%, 10.2% and 9.0% of our total revenue for the respective year.

The following tables set out the details of our five largest customers in each year during the Track Record Period:

Year ended December 31, 2025

Customers	Place of incorporation	Background	Products sold	Revenue attributable to the customer (RMB'000)	% of our total revenue	Year of commencement of business relationship with us
Customer A	Tianjin, the PRC	A private company engaged in international trading of commodities and related import and export business	Aquatic products	1,767,879	9.0%	2021
Customer B	Tianjin, the PRC	A private company engaged in international trade and bulk commodity trading	Aquatic products	1,170,168	5.9%	2022
Customer C	Zhejiang, the PRC	A private company engaged in import and export trading of general merchandise	Aquatic products, meat products	1,146,549	5.8%	2021
Customer D	Heilongjiang, the PRC	A private company engaged in grain procurement, processing, storage and trading of agricultural products	Grains	780,376	4.0%	2022
Customer E	Fujian, the PRC	A private company engaged in supply chain management services and trading of commodities and agricultural products	Aquatic products	716,228	3.6%	2022
Total				**5,581,200**	**28.3%**	

Year ended December 31, 2024

Customers	Place of incorporation	Background	Products sold	Revenue attributable to the customer (RMB'000)	% of our total revenue	Year of commencement of business relationship with us
Customer A	Tianjin, the PRC	A private company engaged in international trading of commodities and related import and export business	Aquatic products	1,580,457	10.2%	2021
Customer C	Zhejiang, the PRC	A private company engaged in import and export trading of general merchandise	Aquatic products, meat products	1,238,055	8.0%	2021
Customer E	Fujian, the PRC	A private company engaged in supply chain management services and trading of commodities and agricultural products	Aquatic products	1,229,921	7.9%	2022
Customer B	Tianjin, the PRC	A private company engaged in international trade and bulk commodity trading	Aquatic products	1,119,015	7.2%	2022
Customer F	Guangdong, the PRC	A private company engaged in seafood processing, trading and related aquatic product operations	Aquatic products	790,105	5.2%	2022
Total				**5,957,553**	**38.5%**	

Year ended December 31, 2023

Customers	Place of incorporation	Background	Products sold	Revenue attributable to the customer (RMB'000)	% of our total revenue	Year of commencement of business relationship with us
Customer A	Tianjin, the PRC	A private company engaged in international trading of commodities and related import and export business	Aquatic products	1,799,489	16.0%	2021
Customer G	Shandong, the PRC	A private company engaged in grain processing and food manufacturing, with operations covering wheat processing and related agricultural products	Grains	818,050	7.3%	2021
Customer C	Zhejiang, the PRC	A private company engaged in import and export trading of general merchandise	Aquatic products, meat products	659,798	5.8%	2021
Customer D	Heilongjiang, the PRC	A private company engaged in grain procurement, processing, storage and trading of agricultural products	Grains	477,634	4.2%	2022
Customer B	Tianjin, the PRC	A private company engaged in international trade and bulk commodity trading	Aquatic products	412,735	3.6%	2022
Total				**4,167,706**	**36.9%**	

As of the Latest Practicable Date, all of our five largest customers are Independent Third Parties, and none of our Directors, their close associates or any of our Shareholders (who owned or to the knowledge of Directors had owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year during the Track Record Period.

OUR SUPPLIERS

The table below sets forth our major suppliers under each of our business lines:

Business lines	Major Suppliers and locations
Market Operations	Property management companies and service providers mainly in China
Trade Services	
— *Digital Trade Services*	Cloud service providers, data service providers mainly in China
— *Warehousing Services*	Property management companies mainly in China
— *Trade-Related Financial Services*	Banks, cloud service providers, data service providers mainly in China
Commodity Sales	
— *Domestic and Cross-Border Trading*	Manufacturers mainly in China and overseas markets
— *New Retail Operations*	Manufacturers mainly in China and overseas markets
Ancillary Services	
— *Exhibition and Convention Services*	Event agencies and equipment suppliers mainly in China
— *Hospitality and Ancillary Catering Services*	Food and beverage suppliers mainly in China
Ancillary Facility Development and Sales	Construction contractors and building material suppliers mainly in China

Our purchases from our five largest suppliers in each year during the Track Record Period was RMB2,222.4 million, RMB3,210.7 million and RMB3,206.6 million, respectively, accounting for 29.1%, 29.2% and 25.9% of our total purchases for the respective year. Over the same period, purchases from our largest supplier in each year during the Track Record Period was RMB831.3 million, RMB1,006.4 million and RMB1,010.2 million, accounting for 10.9%, 9.1% and 8.1% of our total purchases for the respective year.

The following tables set out the details of our five largest suppliers in each year during the Track Record Period:

Year ended December 31, 2025

Suppliers	Place of incorporation	Background	Products/ services provided to us	Purchase cost (RMB'000)	% of our total purchase	Year of commencement of business relationship with us
Supplier A	Shandong, the PRC	A private company engaged in agricultural development, grain cultivation and related agribusiness operations	Grains	1,010,158	8.1%	2022
Supplier B	Ecuador	A private company engaged in aquaculture, seafood processing and export operations	Aquatic products	814,950	6.6%	2021
Supplier C	Hong Kong	A private company engaged in agricultural product trading and related business operations	Aquatic products	492,959	4.0%	2024
Supplier D	Heilongjiang, the PRC	A private company engaged in agricultural production, grain processing and related agribusiness operations	Grains	472,823	3.8%	2023
Supplier E	Heilongjiang, the PRC	A private company engaged in grain trading and related agricultural product distribution	Grains	415,674	3.4%	2024
Total				**3,206,564**	**25.9%**	

Year ended December 31, 2024

Suppliers	Place of incorporation	Background	Products/ services provided to us	Purchase cost (RMB'000)	% of our total purchase	Year of commencement of business relationship with us
Supplier B	Ecuador	A private company engaged in aquaculture, seafood processing and export operations	Aquatic products	1,006,365	9.1%	2021
Supplier A	Shandong, the PRC	A private company engaged in agricultural development, grain cultivation and related agribusiness operations	Grains	853,644	7.8%	2022
Supplier F	Ecuador	A private company engaged in seafood harvesting and related marine product operations	Aquatic products	598,209	5.4%	2022
Supplier G	Ecuador	A private company engaged in trading of seafood and marine products	Aquatic products	484,782	4.4%	2021
Supplier H	Ecuador	A private company engaged in seafood processing, packaging and export operations	Aquatic products	267,687	2.5%	2021
Total				**3,210,687**	**29.2%**	

Year ended December 31, 2023

Suppliers	Place of incorporation	Background	Products/ services provided to us	Purchase cost (RMB'000)	% of our total purchase	Year of commencement of business relationship with us
Supplier A	Shandong, the PRC	A private company engaged in agricultural development, grain cultivation and related agribusiness operations	Grains	831,261	10.9%	2022
Supplier F	Ecuador	A private company engaged in seafood harvesting and related marine product operations	Aquatic products	405,942	5.3%	2022
Supplier B	Ecuador	A private company engaged in aquaculture, seafood processing and export operations	Aquatic products	341,927	4.5%	2021
Supplier G	Ecuador	A private company engaged in trading of seafood and marine products	Aquatic products	322,890	4.2%	2021
Supplier I	Zhejiang, China	A public listed company engaged in construction contracting and related engineering services	Construction	320,382	4.2%	2011
Total				**2,222,402**	**29.1%**	

As of the Latest Practicable Date, all of our five largest suppliers are Independent Third Parties, and none of our Directors, their close associates or any of our Shareholders (who owned or to the knowledge of Directors had owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers in each year during the Track Record Period.

THIRD-PARTY PAYMENT ARRANGEMENTS

Background

During the Track Record Period, certain customers (individually or collectively, the "**Relevant Customer(s)**") settled payments with us through accounts belonging to parties (individually or collectively, the "**Relevant Payor(s)**") other than the contractual counterparties under the corresponding agreements (the "**Relevant Payment Arrangements**"). Below sets forth scenarios involved:

1. ***Merchants.*** In collecting booth usage fees, rental fees, service fees and other related charges, we utilize two channels, including (i) a proprietary service platform designed to support our market operations, connecting e-CNY, WeChat Pay, Alipay and online banking payment methods; and (ii) direct bank-to-bank transfer. Relevant Customers primarily consist of merchants in the Chinese mainland. As part of our payment verification procedures, we require payors to provide merchants' identity card numbers when making payments. To the best of our knowledge, the Relevant Payors primarily consisted of individuals or corporates affiliated with the Relevant Customers. No single Relevant Customer made a material contribution to our total revenue during the Track Record Period.

2. ***Overseas trading partners.*** For our export trading business, the Relevant Customers primarily settle their payments via bank transfers and the relevant sales confirmations are generally governed by PRC laws. Relevant Customers primarily are located or incorporated in Asia, Africa and Middle East. To the best of our knowledge, the Relevant Payors primarily consisted of corporates located in Hong Kong. No single Relevant Customer had made a material contribution to our revenue during the Track Record Period.

Regarding our merchant-related Relevant Payment Arrangements, although we have exercised reasonable efforts and judgment in determining the extent of the Relevant Payment Arrangements, they may not be accurate because there was insufficient information to accurately match the Relevant Customers and their corresponding Relevant Payors due to privacy information protection policy and technical limitations of external services providers that made it indeterminable whether certain transactions should be categorized as Relevant Payment Arrangements. For example, for payments made by QR code generated for payment by Alipay or WeChat Pay, payment banks generally protect payor identity information for privacy reasons, and we are not always able to ascertain the identity of the actual payor. During the Track Record Period, we estimated, to the best of our knowledge, that there were approximately RMB0.9 billion, RMB2.0 billion and RMB4.1 billion cash inflows associated with merchant-related Relevant Payment Arrangements in 2023, 2024 and 2025, respectively. Such estimated cash inflow amounted to approximately 46.2%, 37.9% and 35.2% of our cash generated from operations in each year, respectively.

Regarding our overseas trading partners, during the Track Record Period, the number of the Relevant Customers was 272, 317 and 456, respectively. In 2023, 2024 and 2025, the aggregate amount they settled under Relevant Payment Arrangements was RMB252.9 million, RMB297.9 million and RMB525.5 million, respectively, which accounted for 2.2%, 1.9% and 2.7% of our total revenue in each year, respectively.

During the Track Record Period, all Relevant Payment Arrangements were initiated by Relevant Customers, not by us. The pricing and payment terms we provided to the Relevant Customers were in line with those provided to customers not involved in the Relevant Payment Arrangements in all material respect. During the Track Record Period, we did not provide any discount, commission, rebate or other benefits to any of the Relevant Customers or Relevant Payors to facilitate or incentivize the Relevant Payment Arrangements. To the best of our knowledge, we were not the subject of any investigations, enquiries, penalties, or surcharges as a result of our involvement in the Relevant Payment Arrangements during the Track Record Period and up to the Latest Practicable Date. In addition, we had not encountered any refund requests, actual or pending disputes or disagreements due to Relevant Payment Arrangements or any material claims against us in relation to the Relevant Payment Arrangements during the Track Record Period and up to the Latest Practicable Date.

Reasons for Relevant Payment Arrangements

To the best knowledge of the Directors, the Relevant Payment Arrangements occurred primarily due to the needs of the Relevant Customers. Specifically:

1. ***Merchants.*** Certain Relevant Customers are individuals or family-run operators with relatively flexible business arrangements, and payments may in practice be made by their relatives or associates, and as such, those payment arrangements are a common commercial practice. According to CIC, it is common commercial practice for merchants to designate or allow their relative and associate to pay relevant fees.

2. ***Overseas trading partners.*** Certain Relevant Customers made payments to us through the Relevant Payors, primarily because (i) their own limited foreign currency resources due to local foreign exchange controls or restrictions; and (ii) the inefficiency of local banking systems, where multiple bank transfers may take considerable time to process and complete. Therefore, certain Relevant Customers arranged for the Relevant Payors to make payments to us directly, thereby improving payment efficiency. According to CIC, it is common commercial practice in export trading sector, particularly in emerging markets, for customers to arrange for their payments to suppliers to be made through other parties.

Legal Consequence of Relevant Payment Arrangements

As advised by our PRC Legal Advisor, in light of the above, (i) our Relevant Payment Arrangements during the Track Record Period and up to the Latest Practicable Date were not in breach or contravention of mandatory requirements of applicable laws or regulations in China; (ii) based on public search, we have not been found to be involved in any money laundering activities, activities that could be related to money laundering or any relevant investigations, and as such, the risk of our activities under the Relevant Payment Arrangements being deemed as constituting the crime of money laundering under Article 191 of the Criminal Law of the PRC (《中華人民共和國刑法》) for the purpose of covering up or concealing the source and nature of proceeds or gains is low; (iii) based on the confirmations made by the majority of Relevant Customers and Relevant Payors under merchant-related Relevant Payment Arrangements, the legal risk that those Relevant Payment Arrangements would be required to be systematically refunded at the request of the Relevant Payors is remote; and (iv) based on the public credit information reports issued in relation to our Company, no administrative penalties were imposed by tax management authorities for violation of tax laws, regulations and rules due to our Relevant Payment Arrangements during the Track Record Period.

The majority of the Relevant Payors who made payment for the overseas trading partners are incorporated in Hong Kong. Our Hong Kong legal advisor as to the Relevant Payment Arrangements is of the view that: (i) the Relevant Payment Arrangements do not violate any mandatory provisions of any applicable laws and/or regulations in Hong Kong; (ii) we, as a PRC-located payee, do not incur money-laundering liability under Hong Kong law in respect of the receipt of payments in the PRC through Hong Kong Relevant Payors under the Hong Kong legislations concerned with the dealing of property, including the Organized and Serious Crime Ordinance, Cap. 455 (the "**OSCO**"), the Drug Trafficking (Recovery of Proceeds) Ordinance, Cap. 405 (the "**DTRPO**") and the United Nations (Anti-Terrorism Measures) Ordinance, Cap. 575 (the "**UNATMO**"). The relevant offences under the OSCO and the DTRPO do not have extra-territorial effect and therefore do not apply to dealings with property situated outside Hong Kong. The limited extra-territorial provisions under the UNATMO do not apply to PRC-incorporated entities; and (iii) any liability arising under the licensing requirements with respect the Relevant Payors who fail to comply with any of the applicable legislations is restricted to such Relevant Payors and does not extend to us and will not render the payments invalid.

In term of overseas trading partner-related Relevant Payment Arrangements during the Track Record Period, they involved Relevant Customers from more than 80 jurisdictions. We have sought advice from legal advisors from the top three jurisdictions in terms of revenue of those Relevant Payment Arrangements during the Track Record Period, namely Vietnam, India and Iraq. As advised by our legal advisors as to the laws of Vietnam, India and Iraq, (i) the Relevant Payment Arrangements do not violate any applicable local laws and regulations, (ii) the Relevant Payors are not required to obtain any specific license to make payments on behalf of the Relevant Customers, nor are we required to obtain any specific license to receive such payments from the Relevant Payors; and (iii) the risk of us being required to return payments to the Relevant Payors under the Relevant Payment Arrangements is remote.

To our best knowledge, there were no instances of breaches of relevant laws and regulations, money laundering activities or tax related administrative penalties in relation to our activities under the Relevant Payment Arrangements during the Track Record Period and up to the Latest Practicable Date.

During the Track Record Period, and up to the Latest Practicable Date, to our best knowledge and based on publicly available information, all the Relevant Customers and the Relevant Payors were Independent Third Parties.

Rectification of Relevant Payment Arrangements

To safeguard against risks associated with third party payment arrangements, we have implemented rectification measures and enhanced our internal control measures to prevent re-occurrence.

With respect to our merchants, we plan to cease all third party payment arrangements before [REDACTED]. We plan to require our merchants to set up auto-debit arrangements from their own accounts verified by us to our designated account for the payment of the relevant fees.

Our rectification measures regarding our overseas trading partners include: (i) we require all customers to make relevant payment directly from the accounts of such customers who are parties to the relevant sales confirmations; and (ii) if not directly from the accounts of the customers, we require the Relevant Customers and the Relevant Payors to enter into tripartite agreements with us, so as to clearly specify the contractual payment obligations of relevant parties thereof.

To safeguard our interest against risks associated with Relevant Payment Arrangements, we have also implemented enhanced internal control measures to strengthen our control over any possible third party payment arrangements as advised by our internal control consultant, including the following:

- We consistently maintain our Know-Your-Customer procedures to gain a comprehensive understanding of our customers to prevent fraud or money laundering activities and ensure the accuracy and completeness of our accounting books and records;

- We generally prohibit third party payment arrangements and only permit them in limited and exceptional circumstances where the customers can demonstrate sufficient and reasonable commercial justifications, subject to stringent internal review, approval procedures and entering into tripartite agreements with the Relevant Payors, which clearly specifies the payment obligations of the parties, confirms the authenticity and legality of the underlying trade background and source of funds, and provides that the third-party payor shall have no recourse or refund claim against us upon payment.

- We perform verification of payment details against our records to ensure payments comply with relevant agreements or third-parties agreements and promptly liaise with customers to rectify abnormalities. Our business team verifies transaction authenticity, commercial rationale and contracts; compliance/legal conducts final reviews and risk assessments; and finance checks payment documentation; and

- We reject payments involving high-risk countries or regions, sanctioned parties, insufficient supporting documentation or other suspicious or non-compliant circumstances, and reserve the right to suspend, reject or return any payment giving rise to compliance concerns.

Based on the review of the implementation of the rectification measures and internal control measures, our Directors are of the view that such measures are effective and adequate in identifying the sources of funds from the Relevant Payors, ensuring the accuracy and completeness of our accounting books and records and preventing risks associated with third-party payment arrangements, including money laundering risks, tax evasion risks or other risks relating to violation of applicable laws and regulations.

Our Directors consider that the rectification of the Relevant Payment Arrangements and the implementation of the rectification measures and internal control measures did not have, nor will have, any material adverse effect on the Group, taking into account the relationship with our customers, business operation and financial performance given that majority of the Relevant Customers and Relevant Payors under merchant-related Relevant Payment Arrangements have executed certification letters in connection with the rectification of the Relevant Payment Arrangements.

QUALITY CONTROL

We maintain a unified, enterprise-level quality control and management framework that applies across our core business segments, including market operations, trade services, commodity sales, ancillary supporting services and auxiliary facility development and sales. Given the breadth of our operations across physical markets, transaction execution and digital platforms, our quality control framework is designed to ensure orderly and compliant market operations, consistent service delivery across channels, integrity of trade execution and fulfilment, and the stable and secure operation of our digital systems. The framework also provides structured mechanisms to identify, escalate and remediate operational deficiencies and regulatory non-compliance in a timely manner.

Overall governance of quality control is embedded into our organizational structure. Our operations management team is responsible for setting quality objectives and allocating resources, while functional teams are accountable for execution within their respective areas. Coordination among market management, operations, customer service and compliance functions ensures that quality issues identified through daily operations, customer feedback or internal reviews are addressed through established escalation and resolution processes.

Market Operations

For our market operations, quality control is primarily implemented through standardized market governance and continuous supervision of merchant conduct. We apply documented admission and onboarding requirements covering legal compliance, operational capability and adherence to market rules, and maintain rules governing booth usage, operating conduct and service standards. Day-to-day supervision is carried out through on-site management teams supported by digital monitoring tools to ensure that market participants operate in accordance with applicable contractual arrangements, market rules and regulatory requirements. Where irregularities or non-compliance are identified, corrective measures are implemented in accordance with established procedures. These measures range from guidance and rectification requirements for minor breaches to suspension of market access or termination of contractual arrangements for serious or repeated violations. Enforcement actions are recorded and reviewed to support follow-up verification and ongoing refinement of market management practices.

Trade Services

Quality control procedures for trade services cover both service delivery and digital infrastructure maintenance. We mandate pre-service verification of merchant and partner capabilities, real-time execution checks including automated validation and reconciliation, and post-service monitoring through customer feedback, exception reporting, and delivery tracking. Our digital infrastructure undergoes system-based controls to manage user access and service continuity while maintaining rules and procedures to support orderly use. We monitor digital infrastructure performance and stability on an ongoing basis, thereby reducing the risk of service disruption.

Commodity Sales

For commodity sales, quality control is embedded across the sales and fulfilment process, reflecting the diversity of product categories and the fragmented supplier base within the Yiwu small commodity ecosystem. We maintain internal procedures covering supplier selection, product specification management, order execution and delivery coordination, with centralized oversight applied to key stages to ensure consistency with contractual terms and applicable regulatory requirements. Where issues arise in connection with merchandise sales, including quality discrepancies, quantity variances or delivery delays, such matters are handled in accordance with contractual arrangements and established internal procedures, typically through settlement adjustment, replacement or other appropriate remedial measures.

Ancillary Services

We strictly implement systematic vendor oversight, operational auditing, real-time issue resolution and continuous feedback mechanisms to ensure safety and responsiveness. In particular, we conduct periodic performance assessment, compliance check and structured training protocols for employees. By embedding quality checkpoints at every stage of service delivery, from planning and procurement to execution and post-service evaluation, we create a closed-loop feedback mechanism that drives continuous improvement. This integrated approach guarantees that every service interaction meets defined performance benchmarks, fosters trust and efficiency within our commodity trade ecosystem.

Ancillary Facility Development and Sales

Our quality control covers the entire process, from development plan preview, pre-sale and sale procedure monitoring and post-sale performance review. Our quality control focuses on maintaining quality of our services, standardizing service procedures, selection of subcontractors and consistency their service quality. Our effective service quality control enables us to discover and rectify issues on a timely basis so as to ensure the reliability of service quality. Meanwhile, we continue to improve the efficiency of quality control by upgrading new technologies and IT systems.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material complaints from customers regarding the quality of services we provided.

INTELLECTUAL PROPERTY

Our intellectual property primarily arises from the development and operation of our digital platforms, data systems and AI-enabled applications serving market operations, trade facilitation and related services. We implement internal policies and access control measures to protect proprietary systems, source codes, data models and other confidential information generated in the course of platform development and system operation.

We regard intellectual property as an important asset supporting the long-term development of our digital trade services and platform operations. To safeguard the outcomes of our research and development activities, we have established internal intellectual property management and protection mechanisms covering identification, registration and use of intellectual property. These arrangements include the registration and maintenance of patents and software copyrights, as well as internal confidentiality policies applicable to technical documentation, data assets and proprietary systems.

As of December 31, 2025, we held 37 invention patents, 146 software copyrights, 766 trademarks, 52 copyrights and 61 site names in Chinese mainland and one trademark in Hong Kong. Our invention patents mainly relate to underlying technologies supporting digital trade services, including AI algorithms, intelligent search and multilingual processing, while our software copyrights primarily cover core business systems and platforms, such as *Chinagoods*. See "Appendix VII — Statutory and General Information — Further Information about Our Business — Intellectual Property Rights." For risks relating to intellectual property, see "Risk Factors — We may be unable to adequately protect or enforce our intellectual property rights or prevent unauthorized use. We may also inadvertently infringe third-party intellectual property rights, affected by claims faced by our merchant or could face claims of infringement, misappropriation or counterfeiting by third-parties, which could result in costly disputes, loss of rights or damages and adversely affect our business and financial condition." During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material infringement of our intellectual property rights or allegations of infringement by third parties.

COMPETITION

We operate in the international trade comprehensive services platform industry. According to CIC, by GMV, the global market grew from RMB3.3 trillion in 2020 to RMB7.1 trillion in 2025 at a CAGR of 16.2%, and is expected to reach RMB12.4 trillion by 2030 at a CAGR of 12.0% from 2025, with penetration increasing from 2.7% to 4.2% over the same period and projected to further rise to 5.4% by 2030. In China, the market grew from RMB1.6 trillion in 2020 to RMB2.5 trillion in 2025 at a CAGR of 9.6%, and is expected to reach RMB3.9 trillion by 2030 at a CAGR of 9.7% from 2025, with penetration increasing from 4.9% to 5.5% and projected to further rise to 6.3% by 2030.

The industry remains relatively fragmented, with the top five players accounting for approximately 12.2% of the global market and 29.7% of the China market by GMV in 2025, according to CIC. According to CIC, we ranked first globally and in China among international trade comprehensive services platforms, with market shares of approximately 4.6% and 13.0% by GMV in 2025, respectively. In terms of the total number of merchants in 2025, we also operate the largest small commodities wholesale marketplace in the world and in China, according to the same source. Leveraging our integrated service ecosystem and compliance-oriented operating capabilities, we aim to further consolidate our leading position in the industry.

See "Industry Overview".

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

ESG Governance

We are committed to practising sustainable development principles. Our current ESG policy is formulated in accordance with the "Self-Regulatory Guidelines for Listed Companies No. 14 — Sustainability Report (Trial)" (《上市公司自律監管指引第14號—可持續發展報告(試行)》) issued by the Shanghai Stock Exchange, and this section is prepared with reference to the disclosure requirements under Appendix C2 "Environmental, Social and Governance Reporting Code" (the "**ESG Code**") to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and IFRS S1 and IFRS S2 issued by the International Sustainability Standards Board (the "**ISSB**"). Our ESG governance structure is organised into three tiers: our Board serves as the highest authority responsible for ESG matters, overseeing ESG-related risks and approving ESG strategies and targets; the Strategy and ESG Committee under our Board coordinates ESG initiatives and evaluates material topics (for details of its core members, please refer to "Directors and Senior Management"); and the ESG Leadership Team, comprising the chairman, general manager and other senior management members, drives execution through four specialised subgroups covering Corporate Governance, Environmental Protection, Industrial Value, and Human Capital. We have also incorporated ESG performance into the remuneration and performance appraisal process of our senior management.

We have identified government and regulatory authorities, shareholders and investors, market operators and procurement customers, employees, the community, the media, and industry associations as our primary stakeholders, and evaluate ESG topics based on the principle of double materiality. Our core material topics include: climate change response, energy use, innovation-driven development, product safety and quality, customer rights protection, information security and customer privacy protection, and responsible supply chain management. Climate-related matters are also embedded within the foregoing governance framework, with regular reporting to the Strategy and ESG Committee and our Board.

Climate-related Risks and Opportunities

Strategy

We actively respond to the PRC's national strategic goals of carbon peak and carbon neutrality, and aim to achieve carbon emissions peak before 2030 and operational carbon neutrality before 2060. Our climate-related risks include physical risks (associated with the frequent occurrence of extreme weather events such as typhoons and rainstorms) and transition risks (arising from policy and legal, technological, and market reputation factors).

Risk Management

We have integrated climate-related risks into our overall risk management framework: we engage third-party professional institutions to assist in identifying climate-related risks and opportunities. The ESG Leadership Team then assesses their time horizons and potential financial impacts and reports the results to the Strategy and ESG Committee and our Board and, on the basis of such assessments, we formulate targeted management strategies and continuously monitors their effectiveness. The climate-related risks identified by us principally include physical risks arising from extreme weather events and transition risks resulting from changes in domestic and international carbon management policies and market conditions, which are expected to increase our operating and compliance costs and may adversely affect our revenue; for details, please refer to the disclosures in "Risk Factors." In terms of climate-related opportunities, the extensive rooftop space of our markets and warehouses enables us to reduce carbon dioxide emissions through the development of distributed photovoltaic ("**PV**") projects, the establishment of a new energy trading marketplace and the provision of low-carbon products and services, which are expected to reduce our operating costs and open up new business growth opportunities.

Scenario Analysis

We have conducted a qualitative assessment with reference to the climate scenarios set out in the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC AR6): under a high physical risk scenario, the increased frequency and intensity of extreme weather events would impose sustained pressure on market facility operations and energy costs; under an orderly low-carbon transition scenario, enhanced policy-driven low-carbon requirements would increase compliance costs, while growing renewable energy adoption and demand for green trade would also bring business opportunities to us. During the Track Record Period, we made specific capital expenditure arrangements and completed relevant investments for climate-related matters, including expansion of distributed PV installed capacity, green electricity procurement and energy-saving retrofits.

Metrics and Targets

We are committed to aligning our business practices with the PRC's national carbon peak and carbon neutrality goals, and have set a reduction target of year-on-year decreases in carbon dioxide emissions per RMB10,000 of revenue, with progress monitored on a regular basis. For details of our greenhouse gas emissions data, please refer to "Environmental Management — Greenhouse Gas Emissions" below.

Environmental Management

Energy Management

We strictly comply with the Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》) and other applicable laws and regulations, and have established management systems covering energy metering, statistical analysis, energy-saving training, and appraisal. Our energy consumption principally comprises purchased electricity and fossil fuels such as natural gas. We have actively expanded the scale of our distributed PV installations and, as at 31 December 2025, our distributed PV power stations covered multiple core areas including the International Trade City, the Huangyuan Market and the Yiwu Comprehensive Bonded Zone; during 2025, we participated in green electricity trading with a transaction volume of 100 million kWh, further optimizing our energy mix. The statistical scope of environmental data in this section covers our principal market operation entities, hotel operation entities and other core consolidated entities, with the operational control approach adopted to determine the reporting boundary. For detailed disclosures, please refer to the Notes at the end of this section.

		For the year ended December 31,		
Energy Type	**Unit**	**2023**	**2024**	**2025**
Purchased Electricity	MWh	235,014.62	266,273.42	311,969.83
Electricity Intensity	kWh/RMB10,000 revenue	208.33	172.07	158.30
PV Power Generation	MWh	27,731.30	39,878.09	55,142.23
Natural Gas	10,000 m^3	153.89	175.66	221.50
Natural Gas Intensity	m^3/RMB10,000 revenue	1.36	1.14	1.12
Petrol	10,000 litres	1.62	1.33	1.50
Diesel	10,000 litres	0.58	0.80	0.94

Greenhouse Gas Emissions

We do not engage in industrial production activities and, during our operations, do not generate emissions of industrial air pollutants such as nitrogen oxides (NOx), sulphur oxides (SOx) or particulate matter, and such emissions are not considered material to the overall environmental impact of us. Our greenhouse gas emissions principally comprise indirect emissions from purchased electricity consumption (Scope 2) and direct emissions from the consumption of fossil fuels such as natural gas, petrol and diesel (Scope 1). Detailed data are set out in the table below.

		For the year ended December 31,		
Indicator	**Unit**	**2023**	**2024**	**2025**
Scope 1 Emissions	tCO_2e	3,380.27	3,850.07	4,849.05
Scope 2 Emissions	tCO_2e	124,698.76	141,284.68	165,531.19
Total	tCO_2e	128,079.03	145,134.75	170,380.24
Emissions Intensity	$kgCO_2e$/RMB10,000 revenue	113.54	93.79	86.45

Water Resources Management

We strictly comply with the Water Law of the People's Republic of China (《中華人民共和國水法》) and other applicable laws and regulations, and have established management systems for water-saving target management and water use appraisal. All of our water is sourced from municipal supply. We regularly engage third-party professional institutions to conduct domestic water quality testing and implement water conservation measures, including the use of water-saving apparatus, reclaimed water reuse and rainwater recycling. The wastewater generated from our operations principally consists of domestic wastewater from market public areas and daily hotel operations, which is discharged into the municipal sewage network after treatment.

Indicator	Unit	For the year ended December 31, 2023	2024	2025
Fresh Water Consumption	tonnes	2,744,016.04	3,199,353.30	3,462,613.38
Recycled Water Consumption	tonnes	240,887.00	303,026.00	358,881.00
Total Water Consumption	tonnes	2,984,903.04	3,502,379.30	3,821,494.38
Recycled Water Ratio	%	8.00	8.65	9.39
Water Intensity	tonnes/RMB10,000 revenue	2.65	2.26	1.94

Waste Management

We place a high priority on waste management and regularly deliver waste sorting training to our employees. The waste generated from our operations principally comprises general domestic waste and hazardous domestic waste from office and market operations, food waste from hotel and market operations and construction waste from construction projects. Non-hazardous waste is collected, transported and disposed of by qualified third-party institutions in accordance with waste sorting requirements; hazardous waste is transported and disposed of by entities holding the requisite hazardous waste operation permits, under a manifest tracking system supported by complete records. During the Track Record Period, we disposed of general and hazardous waste through qualified third-party institutions, and our International Trade City Zone 2 market was successfully included in the first batch of key cultivation list for "No-Waste Commercial Streets (Districts)" in Zhejiang Province. We continue to maintain compliant disposal rates of 100% for both general and hazardous waste as our ongoing management target.

Indicator	Unit	For the year ended December 31, 2023	2024	2025
Non-Hazardous Waste Generated	tonnes	1,925.39	1,900.76	1,877.72
Hazardous Waste Generated	tonnes	0.20	0.00	0.00
Recyclable Waste Generated	tonnes	126.4	128.2	119.8

Notes:

1. **Statistical Scope:** The statistical scope for energy, greenhouse gas, water and waste data in this section covers our principal market operation entities, hotel operation entities and other core consolidated entities, accounting for approximately 98.3% of our total purchased electricity within our consolidation scope. The remaining entities account for approximately 1.72% in aggregate and, in accordance with the materiality principle under the Greenhouse Gas Protocol and the 5% exclusion threshold set out in Criterion C5 of the Science Based Targets initiative, Near-term Criteria are not included in this statistical scope. We adopt the operational control approach to determine the reporting boundary.

2. **Energy Management:** PV power generation represents the aggregate actual power generated by our distributed PV stations, all of which is used for self-consumption; purchased electricity data represents the net purchased amount after deducting PV self-consumption. During 2025, we participated in green electricity trading with a transaction volume of 100 million kWh and purchased electricity data in the above table is calculated using the location-based method. If calculated using the market-based method, the electricity volume corresponding to green electricity certificates may be assigned a zero emission factor and the corresponding greenhouse gas emissions would be lower than the figures derived from the above data.

3. **Greenhouse Gas Emissions:** Scope 1 emissions are calculated based on fossil fuel consumption and the corresponding emission factors, with emission factors referenced from the "Guidelines for Accounting and Reporting Greenhouse Gas Emissions of Industrial Enterprises in Other Sectors (Trial)" (《工業其他行業企業溫室氣體排放核算方法與報告指南(試行)》) issued by the National Development and Reform Commission. Scope 2 emissions are calculated using the location-based method, with emission factors referenced from the "Announcement on the Release of 2023 Electricity Carbon Dioxide Emission Factors" (Announcement No. 47 of 2025) (《關於發佈2023年電力二氧化碳排放因子的公告》) jointly issued by the Ministry of Ecology and Environment and the National Bureau of Statistics, and are applied to the calculations for each year of the Track Record Period. During 2025, we participated in green electricity trading with a transaction volume of 100 million kWh and Scope 2 emissions in the above table are calculated using the location-based method. If calculated using the market-based method, the electricity volume corresponding to green electricity certificates may be assigned a zero emission factor and the corresponding Scope 2 emissions would be lower than the figures in the above table. Given our substantial merchant base and the complex nature of our value chain, obtaining accurate Scope 3 emissions data for downstream leased assets and our supply chain currently presents certain difficulties. We have commenced historical data investigation and will progressively improve and disclose Scope 3 greenhouse gas emissions data based on the development of our data foundation, in accordance with the applicable provisions of Appendix C2 to the Listing Rules.

4. **Water Resources Management:** Fresh water consumption refers to the total volume of tap water drawn from the municipal water supply system; recycled water consumption refers to the volume of reclaimed water and harvested rainwater reused after treatment.

Social Responsibility

Employment Management

We strictly comply with the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) and other applicable laws and regulations, and enter into labor contracts with our employees in accordance with law, making contributions to social insurance and housing provident fund schemes on their behalf. We provide our employees with annual health check-ups, group accident insurance, supplementary commercial medical insurance, paid annual leave, statutory holidays and other benefits. We adhere to the principles of openness, fairness and impartiality, maintains equal pay for equal work, prohibits any form of discrimination on the basis of gender, ethnicity, age, religion or disability, and strictly prohibits the use of child labor or any form of forced labor. We have established sound trade union and employee representative congress systems and maintains open channels for employee complaints and reporting. We have also established a training system covering the full career cycle of our employees, with differentiated training programmes tailored to different employee levels; during the Track Record Period, our employee training coverage rate reached 100%.

Occupational Health and Safety

We strictly comply with the Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》), the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》) and other applicable laws and regulations, and have established the Work Safety Committee, incorporating work safety into our operational performance appraisals. We have established a safety hazard inspection mechanism and regularly conducts safety inspections and emergency drills. We provide our employees with annual health check-ups, medical insurance and personal protective equipment, and regularly deliver training on work safety and fire prevention.

Product Quality and Intellectual Property Protection

As a market operation and management entity, we do not directly manufacture or sell commodities but actively undertakes collaborative responsibility for product quality management. We have formulated the "Standards-Entering-the-Market Working Specifications" (《"標準進市場"工作規範》) to promote standardised quality management of small commodities within our markets and has obtained ISO 9001:2015 quality management system certification. Our hotel business line has established standardised quality control protocols covering the full life cycle of ingredient procurement, storage and processing, and has engaged third-party testing institutions to conduct regular pesticide residue testing on key categories. We strictly comply with the Patent Law of the People's Republic of China (《中華人民共和國專利法》), the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》) and other applicable laws and regulations, have formulated the "International Trade City Intellectual Property Management Measures" (《國際商貿城知識產權管理辦法》) and have established the Intellectual Property Protection Office to carry out commodity filing, routine inspections, and infringement handling on a regular basis.

Supply Chain Management and Business Ethics

We have established a supplier management system, implementing access review, tiered evaluation and exit management for our suppliers, with particular attention to our supply chain's ESG performance in areas including regulatory compliance, labor rights, environmental protection and business ethics. We have formulated internal policies including the "Implementation Rules on Collective Decision-Making Trace Management for Three Major and One Large Matters of Commodities City Group" (《商城集團三重一大事項集體決策痕跡管理實施細則》) and the "Personnel Accountability Management Measures" (《工作人員問責管理辦法》), established a three-track supervisory mechanism combining daily inspections, special audits and internal inspections, and set up the Commodities City Qingfeng reporting channel with strict protection of whistleblower confidentiality. We require our suppliers and procurement personnel to sign integrity commitment documents. We regularly deliver anti-corruption and integrity compliance training to all employees.

Information Security and Customer Privacy Protection

We strictly comply with the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》), the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》), the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》) and other applicable laws and regulations. We have established the Network and Information Security Leading Group, headed by our chairman and deputy chairman, and have formulated the "Data Security Management System" (《數據安全管理制度》), the "Network Information Security Management System" (《網絡信息安全管理制度》) and other related internal policies. We apply multi-layered technical measures to safeguard data transmission and storage security, and regularly conduct security vulnerability scanning and penetration testing. In terms of customer privacy protection, we have formulated the "*Chinagoods* Privacy Terms of Service" (《Chinagoods 隱私服務條款》), adhering to the principles of legality, legitimacy, necessity and minimisation, strictly confining customer data storage within China and binding our suppliers and business partners with contractual data security obligations.

Community and Social Contribution

We actively fulfil our social responsibilities. We have entered into a "Donation Agreement" (《捐資協議書》) with Yiwu Charity Federation, under which we have made annual donations of RMB200,000 during the Track Record Period, totalling RMB600,000. We focus on social issues including community support, rural revitalisation and talent cultivation, and participate in social contribution initiatives through employee volunteer service, support programmes paired with low-income families, school-enterprise cooperation internships and East-West regional cooperation.

EMPLOYEES

As of December 31, 2025, we had 3,306 full-time employees in Chinese mainland, seven full-time employees in the Czech Republic, two full-time employees in Germany and two full-time employees in Spain. The following table sets forth the numbers of our employees in Chinese mainland categorized by function as of the date indicated:

Function	Number of Employees	Percent (%)
General and administration	922	27.9
Technology	1,308	39.6
Production	931	28.2
Sales and marketing	145	4.4
Total	3,306	100.0

To enhance human resource management, we have implemented a comprehensive set of internal management measures, clearly defining procedures and criteria for recruitment, training, internal referrals and other key processes. Our recruitment strategies include a variety of channels such as campus recruitment, online platforms, external recruitment agencies as well as internal referrals and transfers. Beyond competitive salaries and benefits, we offer performance-based bonuses to incentivize and reward our full-time employees. Additionally, we have established a robust employee training and development system and are dedicated to fostering an engaging and supportive working environment for our employees. To formalize our employment relationships, we enter into standard labor contracts and confidentiality agreements with all full-time employees. We believe that we maintain a good working relationship with our employees, and we have not experienced any material labor disputes or any difficulty in recruiting staff for our operations during the Track Record Period and up to the Latest Practicable Date.

Social Insurance and Housing Provident Funds

As required by PRC laws and regulations, we are required to participate in various employee benefit plans, including social insurance funds and housing provident fund, pension insurance, medical insurance, maternity insurance, work-related injury insurance and unemployment insurance. During the Track Record Period, we did not make adequate contributions to the social insurance and housing provident funds with respect to certain of our employees as required by the relevant PRC laws and regulations, primarily because (i) the applicable PRC laws and regulations governing social insurance and housing provident funds are intricate and vary by region, which added complexity to our compliance efforts; (ii) there were timing differences in the transfer of social insurance and housing provident fund accounts and in the determination of contribution bases for certain newly hired employees, as a result of which the contribution bases were not updated to the required levels on a timely basis; and (iii) we failed to strictly determine contribution bases based on employees' actual total remuneration in certain months due to execution deficiencies in our human resources management procedures relating to the dynamic adjustment and review of contribution bases, which led to contribution bases for certain employees being lower than the statutory requirements.

As advised by our PRC Legal Advisor, pursuant to applicable PRC laws and regulations, if an employer fails to make social insurance contributions in full, the relevant authorities could order the employer to pay, within a prescribed time limit, the outstanding amount with an additional late payment penalty at the daily rate of 0.05%, and if the employer fails to make the overdue contributions within such time limit, a fine equal to one to three times the outstanding amount may be imposed. Additionally, pursuant to applicable PRC laws and regulations, where an employer is overdue in the payment and deposit of, or underpays, the housing provident fund, the authority could order it to make the payment and deposit within a prescribed time limit, and where the payment and deposit has not been made after the expiration of the time limit, an application may be made to a PRC court for compulsory enforcement.

In addition, during the Track Record Period, we engaged third-party human resources agencies to pay social insurance and housing provident funds for certain employees primarily because these employees working in cities other than Yiwu prefer their social insurance and housing provident funds to be paid at their respective place of residence for convenience of utilizing such benefits locally. Such arrangements, although not uncommon in China, is not in strict compliance with relevant PRC laws and regulations. As advised by our PRC Legal Advisor, pursuant to applicable PRC laws and regulations, we may be ordered to pay social insurance and contribute to housing provident funds for our employees under our own accounts instead of making payments under third-party accounts. If the third-party human resource agencies fail to pay social insurance or contribute to housing provident funds for and on behalf of our employees as required under applicable PRC laws and regulations, we may be ordered to rectify such failure by paying full contributions to social insurance and housing provident funds for our employees.

Our Directors believe that the incident described above would not have a material adverse effect on our business, financial condition and results of operations, considering that, (i) based on our interview with the competent authorities, the competent authorities will not proactively require us to make centralized make-up payments or impose penalties in respect of any failure during the Track Record Period to fully contribute social insurance and housing provident funds, or any third-party arrangements for the payment of social insurance and housing provident funds, other than cases where the competent authorities handle employee complaints regarding social insurance or housing provident fund contributions ex officio; (ii) as of the Latest Practicable Date, we had not received any notification from the relevant authorities requiring us to pay for the shortfalls with respect to social insurance and housing provident funds or pay social insurance and contribute to housing provident funds for our employees under our own accounts, nor did we receive any material employee complaint or have any material disputes with employees concerning their payment of social insurance and housing provident funds; and (iii) as confirmed by our PRC Legal Advisor, we were not subject to any administrative penalties with respect to the payment of social insurance and housing provident funds during the Track Record Period and up to the Latest Practicable Date, and we have obtained certain confirmation letters issued by the relevant authorities confirming that no administrative penalty was imposed on us in this regard. Based on the foregoing, our PRC Legal Advisor is of the view that the risk that we would be required to pay the shortfalls, or be subject to administrative penalties by the competent authorities regarding our contribution to the social insurance and housing provident funds during the Track Record Period is remote.

Pursuant to the *Interpretation II of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Labor Dispute Cases* (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), which took effect on September 1, 2025, any agreement between an employer and an employee, or any undertaking made by an employee stating that social insurance contributions need not be paid, shall be deemed invalid by the people's court. Where an employer fails to pay social insurance contributions in accordance with the law, and the employee requests termination of the labor contract and claims economic compensation pursuant to Article 38, paragraph 3 of the Labor Contract Law, the people's court shall support such claim in accordance with the law. In this regard, considering that (i) we have not entered into any agreement with our employees, nor have our employees made any commitment, to waive the payment of social insurance contributions, and (ii) employees are entitled to terminate labor contracts and claim economic compensation in accordance with the Labor Contract Law, irrespective of the aforesaid judicial interpretation, such interpretation will not result in us assuming any additional compensation liabilities. Accordingly, as advised by our PRC Legal Adviser, the aforesaid judicial interpretation will not have a material adverse impact on our business operations or financial position.

To monitor our compliance with relevant laws and regulations in respect of social insurance and housing provident fund contributions, we have taken the following internal control measures:

- Reviewing and revising relevant policies to clearly and strictly stipulate that we shall, in accordance with applicable laws, make full social insurance and housing provident fund contributions for all employees; and

- Establishing an internal audit and review mechanism whereby the internal audit department will conduct regular inspections and ad-hoc checks on our social insurance and housing provident fund contributions, including whether all employees are covered and whether our contributions comply with internal policies and relevant laws and regulations.

PROPERTIES

Our headquarters is located in Zhejiang, China. We own properties in Chinese mainland, Macao and Spain and lease properties in Chinese mainland and the Czech Republic.

Pursuant to Rules 5.01A (1) and 5.01B (1) of the Listing Rules, if the carrying amount (as defined in Rule 5.01 (1) of the Listing Rules) of a property interest (as defined in Rule 5.01 (3) of the Listing Rules) that forms part of property activities (as defined in Rule 5.01 (2) of the Listing Rules) is or is above 1% of its total assets (as defined in Rule 5.01 (4) of the Listing Rules), we must include the full text of a valuation report for such property interest and the total carrying amount of property interests not valued must not exceed 10% of its total assets. As of December 31, 2025, the carrying amount of our property interests that exceeded 1% of our total assets was valued, and the total carrying amount of property interests not valued did not exceed 10% of our total assets. For details of the property valuation report, see "Appendix III — Valuation Report."

Owned Properties

As of the Latest Practicable Date, we owned 98 properties in Chinese mainland with an aggregate GFA of approximately 8.4 million sq.m., which were primarily used as offices, hotels, physical marketplaces and warehouses. Save as disclosed below, we had obtained the land use right certificates and building ownership certificates for all of our owned properties as of the Latest Practicable Date. In addition, we owned (i) five properties in Macao with an aggregate GFA of approximately 109.5 sq.m, which were primarily used as warehouses; and (ii) one property in Spain with an aggregate built surface area of approximately 13,210.1 sq.m, which was primarily used as warehouses.

As of the Latest Practicable Date, we had obtained the land use right certificates for the land occupied by Huangyuan Market and its ancillary Shangcheng Hotel; however, due to historical reasons, we had not yet obtained the building ownership certificates for the buildings erected thereon. The total GFA of Huangyuan Market and its ancillary Shangcheng Hotel is approximately 424,626.42 sq.m., representing approximately 5.05% of our total GFA of properties in the PRC.

The failure to obtain the relevant building ownership certificates is primarily attributable to changes in planning regulations adopted after the completion of the reconstruction. We commenced the reconstruction of Huangyuan Market and its ancillary Shangcheng Hotel in 2009 based on valid construction planning and construction permits duly issued by the competent authorities and applicable at the time. Following the completion of such reconstruction, subsequent provincial regulations were promulgated which prohibit commercial projects granted land use rights by way of grant from increasing the approved plot ratio. As the reconstructed buildings exceed the originally approved plot ratio, the competent authority has not yet approved the issuance of the relevant building ownership certificates. See "Risk Factors — Risks Relating to Our Business and Industry — Defects in the title or usage rights of certain of our owned or leased properties may expose us to challenges from third parties and adversely affect our business operations and financial condition."

As of the Latest Practicable Date, we were in the process of communicating with the relevant authorities regarding the remedial procedures for obtaining the relevant building ownership certificates. As confirmed by the competent authorities, prior to the completion of such remedial procedures, the competent authorities will not impose administrative penalties on us or require the demolition, confiscation of physical assets, or forfeiture of unlawful gains in respect of the relevant properties. Based on the foregoing, and as of the Latest Practicable Date, we had not been subject to any administrative penalties in respect of the above property title defects, nor had we received any notice from the competent authorities requiring rectification within a prescribed time limit or demolition of the relevant properties, we are of the view that the aforesaid matters will not have a material adverse effect on our business operations.

Leased Properties

As of the Latest Practicable Date, we leased three major properties in Chinese mainland with an aggregate GFA of approximately 18,414 sq.m. They were primarily used as warehouses and other ancillary purposes. Our leases generally have a term ranging from one to 20 years. In addition, we leased two properties in the Czech Republic primarily used as offices and warehouses with a total GFA of approximately 28,527.1 sq.m.

As of the Latest Practicable Date, our lease agreement for one major leased property in Chinese mainland had not been registered with the relevant housing administrative authorities. As the registration of a lease agreement requires the cooperation between the lessor and lessee and lessors are typically unwilling to undertake the administrative burden due to the low risk of penalty, we were not able to complete the registration of lease agreements mentioned above. As advised by our PRC Legal Advisor, failure to register these lease agreements does not affect their legal validity. However, we may be required by the relevant local authorities to complete the registration within a specified period, and may be subject to fines ranging from RMB1,000 to RMB10,000. The maximum aggregate penalty, if imposed, would be approximately RMB10,000, which our Directors believe would not have any material adverse impact on our business operations. See "Risk Factors — Risks Relating to Our Business and Industry — Defects in the title or usage rights of certain of our owned or leased properties may expose us to challenges from third parties and adversely affect our business operations and financial condition."

INSURANCE

We believe that our insurance coverage is adequate for our business and in line with general market practice. Our principal insurance policies primarily include property all risks insurance, public liability insurance, motor insurance and traffic accident insurance, which we believe are adequate to cover major risks in our daily operations in the jurisdictions in which we operate. During the Track Record Period, we did not make any material insurance claims in relation to our business. For risks relating to our insurance, see "Risk Factors — Risks Related to Our Business and Industry — Our insurance coverage may not be sufficient to cover all of our potential losses."

RISK MANAGEMENT AND INTERNAL CONTROL

We have implemented internal control and risk management systems, procedures and policies designed to address financial, operational and compliance risks associated with our operations. We regularly review and enhance these systems, policies and procedures to ensure their effectiveness and adequacy.

Corporate Governance Risk Management

We manage governance-related risks through a corporate governance framework. Our Board of Directors is responsible for the overall oversight of our risk management and internal control systems, while our senior management is responsible for the daily implementation of approved policies and procedures within their respective areas of responsibility. We have adopted and updated internal rules governing, among other matters, the roles and responsibilities of directors and senior management, the operation of Board committees and the approval and reporting procedures for significant corporate matters. These arrangements are designed to ensure clear allocation of authority, appropriate segregation of duties and effective checks and balances across our organization.

Financial Reporting and Treasury Risk Management

We manage financial reporting and treasury-related risks through internal controls over budgeting, accounting, financial reporting and fund management. Our finance department is responsible for organizing and managing our financial affairs and supporting management in monitoring our financial position and operating performance. We have established internal control procedures governing fund collection and payment, bank account management, budget execution and investment-related approvals. These measures are designed to promote financial discipline and mitigate risks associated with capital deployment and financial commitments.

Compliance and Information Disclosure Risk Management

We manage compliance and disclosure-related risks through internal rules governing compliance management, information reporting, information disclosure and confidentiality. Relevant departments are responsible for monitoring changes in applicable laws, regulations and regulatory requirements and, where appropriate, seeking advice from internal or external professional advisers. We have also established procedures for responding to regulatory inquiries and following up on rectification matters. These measures are designed to ensure that information disclosed by us is accurate, complete, timely and fair and that our operations remain in compliance with applicable laws and regulations.

Operational Risk Management

We manage operational risks through internal policies and procedures governing our key business processes, including leasing, procurement, inventory management, contract management and human resources administration. These procedures generally include approval hierarchies, documentation requirements, segregation of duties, system records and periodic review or reconciliation. We also maintain an internal control manual covering major corporate and business processes. These arrangements are designed to enhance operational efficiency, reduce the risk of error or irregularity and improve accountability across our operations.

Conflict of Interest and Ethical Conduct Risk Management

We manage conflicts of interest and ethical conduct risks through internal policies applicable to our directors, senior management and employees. These policies require the identification, declaration and management of actual or potential conflicts of interest and are complemented by policies relating to anti-fraud, anti-corruption and anti-bribery. We also maintain whistleblowing and reporting channels for misconduct or irregularities. These arrangements are designed to protect the interests of our Company and our shareholders as a whole and to reduce the risk of conflicts of interest or improper conduct.

Internal Audit and Risk Monitoring

We manage risk monitoring through our legal and audit functions, which is responsible for organizing risk assessments, internal control evaluation and follow-up on remediation measures. We conduct periodic risk assessments and internal reviews covering major business and control areas, and identified deficiencies are reported and followed up through established internal procedures. These measures are designed to facilitate early identification of key risks and timely remediation of control deficiencies.

Board and Audit Committee Oversight

We oversee our risk management and internal control systems through Board-level supervision. Our Audit Committee assists the Board in reviewing our financial reporting processes, internal control systems, risk management arrangements and compliance matters. Management reports relevant findings and remediation progress through established internal channels, and corrective actions are implemented where appropriate. Through these arrangements, we seek to ensure that our risk management and internal control systems remain effective and appropriate.

For our risk management measures relating to our trade-related financial services, see "— Our Business — Trade Services — Trade-Related Financial Services."

DATA SECURITY AND PRIVACY

During the ordinary course of our business, we collect and maintain certain customer information to the extent necessary for the sales and delivery of our products and provision of services, primarily including basic personal information, personal identity information, network identification information, biometric information, property-related information, personal internet usage records, information on commonly used personal devices and personal location information. The collection of such data facilitates user registration, order processing and other works related to the sale of our products and provision of services. All data collected during our ordinary course of business are stored in the Chinese mainland.

We have implemented measures to preserve the confidentiality of such information to ensure regulatory compliance. With respect to the collection of personal information, we only collect personal information for explicit and reasonable purposes during the course of our business operations. For personal information collected through online channels such as our websites and mini programs, we notify personal information subjects of relevant matters by publishing privacy policies and other notices and, where necessary, obtain separate consent from the relevant personal information subjects. In terms of the storage and use of personal information, we have implemented various security measures, including access control, data classification and grading, encryption and anonymization, as well as data backup and recovery, to prevent unauthorized access to, disclosure, alteration, loss of or misuse of personal information.

In addition, we have established a personal information subject rights response mechanism, pursuant to which we provide appropriate channels for personal information subjects to exercise their rights, including the right to access, rectify and delete personal information and to withdraw consent. We have also formulated personal information security incident emergency response plans and organize their implementation on a regular basis, and conduct security education and training for our employees. We have established a group-level data platform to support data governance and internal data sharing.

The data platform consolidates data from multiple business systems and processes structured and semi-structured data in a standardized manner, with data subject to cleaning, processing and standardization prior to storage, and centrally stored to support internal data access and analysis across the Group. As of the Latest Practicable Date, the volume of structured data formally stored on the data platform exceeded 30 TB. We obtain certain market-related data through authorized sampling and on-site data collection for the purposes of supporting operational management and statistical analysis. Certain technology-enabled applications, including model-based tools, are deployed at the application level to support business operations and diversified usage scenarios. Our major business systems are deployed on cloud-based infrastructure supported by telecommunications-grade cloud service providers, enabling centralized management and stable system operation.

We comply with the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China, and other applicable laws and regulations. We have established internal policies covering cybersecurity, data security and information system management, and we conduct regular information security training and internal compliance reviews.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material cybersecurity incidents, data leakage events or data loss, nor were we subject to any material penalties, investigations or notices from regulatory authorities in connection with data security or cybersecurity matters. As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we have complied with applicable PRC laws and regulations relating to data privacy and cybersecurity in all material respects. See "Risk Factors — Risks Relating to Our Business and Industry — Our business generates and processes a large amount of data, including personal data. Improper use and disclosure of these data may lead to increased compliance costs and adversely affect our business operations."

LICENSES, APPROVALS AND PERMITS

We are required to obtain various licenses, permits, approvals and certificates for our business. As advised by our PRC Legal Advisors, we have obtained the requisite licenses, permits, approvals and certificates from applicable authorities which are material to our operations, and such licenses, permits, approvals and certificates are valid and subsisting as of the Latest Practicable Date.

As of December 31, 2025, we held the following permits that are material to our business:

Business lines	Name	Authorizing Agency	Effective Since	Effective Until	Permission Scope
Digital trade services	Filings of Third-Party Online Food Sale Platform (網絡食品銷售第三方平台提供者備案)	Zhejiang Administration for Market Regulation (浙江省市場監督管理局)	/	/	Provide platform services (such as technical services and information publishing) in online food transactions
	Filings of Third-party Medical Device Network Trading Platform (醫療器械網絡交易服務第三方平台備案)	Zhejiang Medical Products Administration (浙江省藥品監督管理局)	/	/	Provides infrastructure and transaction facilitation services for the online sale of medical devices by resident registrants, filing holders or operating enterprises

Business lines	Name	Authorizing Agency	Effective Since	Effective Until	Permission Scope
Payment services	Payment License with Nationwide Scope (全國性支付牌照)	People's Bank of China (中國人民銀行)	July 2013	July 2028	Carry out internet payment business
	Trust or Company Service Provider License	Hong Kong Company Registry	December 2025	/	Provides trust or company services
Domestic and cross-border trading	Filings of principal import and export-related business qualifications (進出口相關主要業務資質備案)	Yiwu Customs and Qianjiang Customs (義烏海關及錢江海關)	/	/	Consignee and consignor of import and export goods, food importer, consignee of inbound edible aquatic animals, and cross-border e-commerce enterprise
Credit reporting services	Enterprise Credit Reporting Business Filing Certificate (徵信業務經營備案證)	People's Bank of China Hangzhou Central Sub Branch (中國人民銀行杭州中心支行)	December 2014	/	The lawful collection, collation, processing, storage and provision of enterprise credit information, as well as related enterprise credit inquiry, analysis and consulting services.
Hospitality and ancillary catering services	Food Business Licenses (食品經營許可證)	Yiwu Municipal Administration for Market Regulation (義烏市市場監督管理局)	/	Ranging from September 2026 to October 2030(1)	Product and sale of hot food (simple preparation and sale), cold food (simple preparation and sale), raw food and self-made beverages
	Special Industry Licenses (特種行業許可證)	Yiwu Municipal Public Security Bureau (義烏市公安局)	Ranging from October 2021 to October 2025(1)	/	Accommodation
	Sanitation Licenses (衛生許可證)	Yiwu Municipal Health Bureau (義烏市衛生健康局)	/	Ranging from January 2027 to September 2029(1)	Accommodation
Ancillary facility development and sales	Class II Real Estate Development Enterprise Qualification Certificate (二級房地產開發企業資質證)	Jinhua Housing and Urban-Rural Development Bureau (金華市住房和城鄉建設局)	September 2024	September 2027	Conduct real estate development and related business activities within the scope permitted by PRC regulations, including projects with a total construction area not exceeding 250,000 square meters

Business lines	Name	Authorizing Agency	Effective Since	Effective Until	Permission Scope
	Class II Real Estate Development Enterprise Qualification Certificate (二級房地產開發企業資質證)	Hangzhou Urban and Rural Construction Committee (杭州市城鄉建設委員會)	October 2025	October 2028	Conduct real estate development and related business activities within the scope permitted by PRC regulations, including projects with a total construction area not exceeding 250,000 square meters

Note:

(1) We hold multiple Food Business Licenses, Special Industry Licenses and Sanitation Licenses within our Group with different effective periods.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

From time to time, we may be subject to legal proceedings, investigations and claims arising in the ordinary course of our business. As of the Latest Practicable Date, we were subject to one major pending litigation involving a contract dispute between our contractor and us on additional construction cost beyond allegedly agreed scope of work.

In 2020, we engaged Beijing Urban Construction Group Co., Ltd. ("**BUCG**") as a contractor for the construction of a project within the Yiwu Comprehensive Bonded Zone pursuant to a public tender process. The project was subsequently completed and delivered for use. During the settlement process, a dispute arose between us and BUCG primarily in relation to certain additional construction costs allegedly incurred beyond the agreed scope of works. In June 2024, BUCG initiated legal proceedings against us before the Jinhua Intermediate People's Court, claiming payment of such additional costs and related expenses.

In January 2026, the Jinhua Intermediate People's Court rendered a first-instance judgment ordering us to pay RMB170.0 million in construction fees to BUCG, together with the corresponding overdue payment interest, while dismissing BUCG's other claims. In February 2026, we filed an appeal with the Zhejiang Provincial High People's Court. As of the Latest Practicable Date, the Zhejiang Provincial High People's Court had heard our appeal but had not rendered a second-instance judgment. We have not made payment under the first-instance judgment and the case remains subject to appeal. The amount of RMB170.0 million has been fully recognized as part of the construction cost of the relevant properties, with a corresponding liability recorded under payables in our consolidated statements of financial position as of December 31, 2025.

Considering that the judgment amount represents less than 1.0% of our revenue in 2025 and that such amount has been fully reflected in our consolidated financial statements, our Directors are of the view, and our PRC Legal Advisor concurs, that the case is not expected to have a material adverse effect on our business operations, financial condition or results of operations.

Saved as disclosed above, during the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral or administrative proceedings, nor were we aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition, and results of operations.

Compliance

We are subject to various regulatory requirements and guidance promulgated by different PRC regulatory agencies, including the PBOC and their respective local branches and offices. They inspect our business and assess our risk management and internal control on a regular basis. From August to September 2024, PBOC Zhejiang Branch conducted inspections on Kuaijietong's operational management in 2023. During this inspection, PBOC Zhejiang Branch identified certain non-compliances with relevant PRC laws and regulations. On December 25, 2025, PBOC Zhejiang branch issued administrative penalties over matters below.

Settlement of Customer Reserve Funds through Partner Bank Account

In 2023, approximately 381,000 merchant-related transactions were not directly settled from our centralized customer reserve fund custody account to the merchants' designated bank settlement accounts. Instead, the relevant transaction amounts were first settled into the respective partner bank account that we opened for each of our merchants on *Chinagoods*, with an aggregate transaction amount of approximately RMB49.9 billion. The relevant settlement arrangement was adopted due to our inadequate interpretation of the applicable regulatory requirements, and was primarily arranged to allow merchants to directly use funds in such partner bank accounts to meet their funding needs, thereby reducing interbank transfer fees.

According to our PRC Legal Advisor, pursuant to Article 33 of the *Administrative Measures for the Custody of Customer Reserve Funds of Non-bank Payment Institutions*, funds in a centralized customer reserve fund custody account may only be transferred to prescribed accounts, including merchants' designated bank settlement accounts and other accounts recognized by the PBOC. The PBOC may impose a maximum penalty on entities up to RMB2.0 million and on responsible individuals up to RMB500 thousand. On December 25, 2025, the PBOC Zhejiang Branch issued a warning to us and imposed a fine of RMB1.5 million. Kuaijietong's Technical Director also received a warning from the PBOC Zhejiang Branch and was fined for RMB80,000. As of the Latest Practicable Date, we had fully paid the relevant penalties and terminated our collaboration with such partner bank. We have rectified the above non-compliance by directly settling customer reserve funds from our centralized custody account to merchants' designated bank settlement accounts. We also conducted an internal review and terminated similar payment models.

As advised by our PRC Legal Advisor, our Directors believe that the above non-compliance incident would not have a material adverse impact on us on the grounds that (i) the non-compliance was historical in nature, limited to a specific settlement arrangement adopted in 2023, and has been fully rectified as of the Latest Practicable Date; (ii) all administrative penalties imposed by the PBOC Zhejiang Branch, including fines on us and the relevant individual, have been fully paid, and no further administrative penalties, enforcement actions or rectification requirements were outstanding as of the Latest Practicable Date; (iii) the incident did not involve any misappropriation, loss or unauthorized use of customer reserve funds, nor did it result in any dispute, claim or material complaint from merchants; (iv) the relevant settlement arrangement was terminated promptly upon identification of the regulatory non-compliance, and no similar payment model has been adopted thereafter; and (v) the incident did not result in any suspension, revocation or restriction of our payment business permits, nor did the fine imposed resulted in a material adverse impact on our financial condition.

To prevent the recurrence of similar incidents, we have enhanced our internal control policies and procedures relating to customer reserve fund custody and settlement, including:

- terminated arrangement with such partner bank;
- strengthening internal rules to ensure that customer reserve funds are transferred strictly and directly to permitted accounts in accordance with applicable laws and regulations and regulatory requirements of the PBOC;
- implementing system-level controls to ensure that payment instructions are accurate, traceable and non-modifiable throughout the entire settlement process;
- enhancing internal compliance review and approval procedures for settlement structures, payment models and arrangements involving customer reserve funds, including escalation to the compliance and legal functions where necessary; and
- providing targeted compliance training to relevant personnel on regulatory requirements governing customer reserve fund custody and settlement.

Opening of Payment Accounts for Financial Institutions

From 2014 to 2021, Kuaijietong opened 42 payment accounts for 27 financial institutions and institutions engaged in financial businesses. These payment accounts were opened to facilitate investor refund needs and were limited to refund processing and account information inquiry functions. The above payment accounts were originally opened prior to our acquisition of Kuaijietong in 2022 and did not involve any willful misconduct by our Directors or employees. Following the completion of the acquisition, we conducted a review of the relevant account arrangements and imposed functional restrictions on such accounts, limiting their use solely to the original-return of funds for investor refund purposes. When we were remedying such practice by limiting such payment services' functions, the PBOC Zhejiang Branch conducted regulatory review and identified such non-compliance.

According to our PRC Legal Advisor, pursuant to Article 8 of the *Administrative Measures for the Online Payment Business of Non-Banking Payment Institutions*, payment institutions are prohibited from opening payment accounts for financial institutions or institutions engaged in financial businesses, including but not limited to lending, financing, wealth management, guarantees, trusts or currency exchange."). The PBOC may impose a maximum penalty on entities up to RMB2 million and on responsible individuals up to RMB500 thousand. The opening of the account, though opened prior to our acquisition of Kuaijietong, still constituted non-compliance under the applicable regulatory framework. On December 25, 2025, the PBOC Zhejiang Branch issued a warning to us and imposed a fine of RMB1.5 million. Kuaijietong's Business Director also received a warning from the PBOC Zhejiang Branch and was fined for RMB80,000. As of the Latest Practicable Date, we had fully paid the relevant penalties and closed all such payment accounts.

As advised by our PRC Legal Advisor, our Directors believe that the above non-compliance incident would not have a material adverse impact on us on the grounds that (i) the amount of illegal gains arising from this non-compliance was nil; (ii) the relevant payment accounts were opened prior to our acquisition of Kuaijietong and were not associated with any willful misconduct by our Directors or employees; (iii) all administrative penalties imposed by the PBOC Zhejiang Branch, including fines on us and the relevant individual, have been fully paid, and no further administrative penalties, enforcement actions or remedial requirements are outstanding as of the Latest Practicable Date; (iv) all such payment accounts have been closed, and we no longer open or maintain any payment accounts for financial institutions or institutions engaged in financial businesses; and (v) the non-compliance has not resulted in any suspension, revocation or restriction of our payment business permits, nor has the fine imposed resulted in a material adverse impact on our financial condition.

To prevent the recurrence of similar incidents, we have strengthened our internal control policies and procedures relating to account opening and post-acquisition integration, including:

- closed the 27 accounts involved in this non-compliance;
- enhancing internal policies to expressly prohibit the opening of payment accounts for financial institutions or institutions engaged in financial businesses, regardless of the purpose or scope of account usage;
- implementing enhanced compliance and legal review procedures for account opening arrangements, including mandatory assessment of counterparty nature and business activities prior to approval;
- strengthening post-acquisition integration controls, including the review and alignment of historical account arrangements of acquired entities with applicable regulatory requirements and regulatory interpretations; and
- providing targeted compliance training to relevant business, operational and integration personnel on applicable regulatory requirements governing payment account opening and customer reserve fund custody.

Failure to Cross-verify Corporate and Personal Information during Non-face-to-face Account Opening

Prior to 2023, when opening two corporate and one individual payment account in non-face-to-face manner, we did not strictly implement requirements for prudent verification and account classification. In particular, we failed to cross-verify information from multi-channel sources, and we did not retain the required accounting opening video records of the legal representative as stipulated. As a result, we were fined for RMB50,000 regarding corporate accounts and RMB30,000 regarding individual payment account. We have paid these fines and rectified our account opening and cross-verification processes. Specifically, we closed the non-compliant corporate accounts, and reclassified the affected individual account to Category II in accordance with applicable regulations. We also have strengthened our account-opening and management procedures by enhancing verification, documentation and record-keeping requirements and now strictly comply with regulatory requirements on account classification for both corporate and individual accounts.

As advised by our PRC Legal Advisor, our Directors believe that the above non-compliance incidents would not have a material adverse impact on us on the grounds that (i) these non-compliances were not associated with any willful misconduct by our Directors or employees and had been fully rectified as of the Latest Practicable Date; (ii) all administrative penalties imposed by the PBOC Zhejiang Branch have been fully paid, and no further administrative penalties, enforcement actions or remedial requirements were outstanding as of the Latest Practicable Date; (iii) all such payment accounts have been closed and re-classified; and (iv) these non-compliances have not resulted in any suspension, revocation or restriction of our payment business permits, nor has any fine imposed resulted in a material adverse impact on our financial condition.

Failure to Accurately Identify Merchant and Payee Information in Transactions and Transferring Funds Using Accounts with Identical Names

In 2023, we did not accurately identify and fully report information on merchants, payees and purchased goods when settling with Alipay. Since we failed to ensure the authenticity, completeness and traceability of transaction information throughout the payment process, we were fined RMB100,000 by the PBOC Zhejiang Branch. In addition, we failed to set the acquiring settlement account as either an account in the same name as the special merchant or an associated bank settlement account. We were fined by RMB30,000 by the PBOC Zhejiang Branch. We have paid fines for both non-compliances and rectified our name-recording and verification processes. Specifically, we have upgraded the *Chinagoods*' operating system to enhance the consistency and traceability of merchants' registered names and registration numbers. We have also implemented a merchant name identification mechanism that continuously monitors name changes, invalidates non-compliant accounts, and requires the re-linking of bank accounts registered under names consistent with the merchants' business licenses.

As advised by our PRC Legal Advisor, our Directors believe that the above non-compliance incidents would not have a material adverse impact on us on the grounds that (i) the relevant transactions were not associated with any willful misconduct by our Directors or employees and had been fully rectified as of the Latest Practicable Date; (ii) all administrative penalties imposed by the PBOC Zhejiang Branch have been fully paid, and no further administrative penalties, enforcement actions or remedial requirements were outstanding as of the Latest Practicable Date; (iii) we have upgraded our operating system and enhanced our mechanism on verifying merchant names and transaction information; and (iv) the non-compliances have not resulted in any suspension, revocation or restriction of our payment business permits, nor has the fine imposed resulted in a material adverse impact on our financial condition.

Saved as disclosed above, during the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material non-compliance incidents that have led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

U.S. SANCTIONS AND EXPORT CONTROL IMPLICATIONS

Business Activities with Entities Subject to U.S. Export Controls

During the Track Record Period, we procured certain advertising services from a supplier that has been listed on the Entity List by the BIS since May 21, 2019 (the "**EL Supplier**"). As a result of the designation, the provision of items subject to the EAR to the EL Supplier without a BIS license is generally prohibited, and license applications are subject to a presumption of denial. As advised by our International Sanctions Legal Advisors, taking into account that the transactions with the EL Supplier (i) were settled solely in RMB, and (ii) related to the procurement of services that did not involve items subject to the EAR, such transactions did not represent a violation of applicable U.S. export control laws.

Business Activities with Entities Subject to International Sanctions

In addition, with respect to our transactions with overseas customers (including those located in the Relevant Regions as discussed below), our products were sold primarily on FOB or EXW terms, under which transportation for the shipment of products is arranged by our customers and freight charges are borne by these customers. In certain instances, vessels and carriers, designated on the SDN List by OFAC ("**SDN Vessels**", and **SDN Carriers**"), were engaged by our customers for shipment. As advised by our International Sanctions Legal Advisors, our indirect exposure arising from such arrangements is does not represent a violation of applicable International Sanctions, and the risk of such activities resulting in the imposition of sanctions on our Group or the Relevant Persons is fairly low.

Business Activities in Regions Subject to International Sanctions

During the Track Record Period, we generated revenue from sales to non-sanctioned customers located in certain jurisdictions that are, to varying degrees, subject to international sanctions, including Iran, Syria, the Balkans (in particular, Albania and Serbia), Belarus, Burundi, Central African Republic, Democratic Republic of the Congo, Egypt, Ethiopia, Guinea, Hong Kong, Iraq, Lebanon, Libya, Mali, Russia (excluding Crimea, LPR/DPR, Zaporizhzhia and Kherson regions), Somalia, Tunisia, Turkey, Venezuela and Yemen ("**Relevant Regions**"). The products sold to the Relevant Regions are not subject to the EAR. Among the Relevant Regions, Iran and Syria are subject to comprehensive U.S. economic sanctions and are designated as Comprehensively Sanctioned Countries. Revenue generated from sales to customers in Comprehensively Sanctioned Countries was nil, RMB283.8 thousand and RMB4.2 million, representing approximately nil, nil and 0.02% of our total revenue in 2023, 2024 and 2025, respectively.

Primary Sanctioned Activities in the Relevant Regions

As advised by our International Sanctions Legal Advisors, there are two types of primary U.S. sanctions programs in place, i.e. "country-based (territorial broad-based) sanctions programs" and "list-based sanctions programs." Country-based sanctions programs target Comprehensively Sanctioned Countries by prohibiting U.S. persons from dealing in any manner with these Comprehensively Sanctioned Countries. "Primary" U.S. sanctions apply to "U.S. persons" or activities involving a U.S. nexus (e.g., funds transfers in U.S. currency even if performed by non-U.S. persons). Typically, there are two situations constituting a Primary Sanction Violation: (i) transactions involving U.S. nexus (such as use of U.S. dollar, bank system, products subject to the EAR, or involving U.S. persons) with Comprehensive Sanctioned Countries, and (ii) transactions involving U.S. nexus with SDNs. See "Regulatory Overview — Laws and Regulations in Relation to International Sanctions" for details.

We have sold civilian-used commercial products, including textiles and bedding, industrial and construction base materials, machining equipment, bicycle accessories, polytetrafluoroethylene and nitrile gloves, to non-sanctioned customers ("**Iranian Customers**") based in Iran ("**Iranian Transactions**"). As advised by our International Sanctions Legal Advisors, given that (iii) our sales to Iran did not involve any items that are subject to the EAR; (ii) among the Iranian transactions, our sale of nitrile gloves fall under the scope of "medical device" and thus could be authorized pursuant to OFAC general license under 31 CFR § 560.530(a)(3)(i); and (iii) save for our sale of nitrile gloves, the Iranian Transactions were not processed by a U.S. correspondent bank and did not pass through the U.S. financial system, the Iranian Transactions did not represent a technical violation of U.S. primary sanctions.

In addition, we indirectly sold second-handed cars to the end customer in Syria ("**Syrian Transaction**"). For the nature of the Syrian Transaction, (i) our sale to Syria did not involve any items that are subject to the EAR, and (ii) payments received by us from the Syrian Transaction did not involve a U.S. correspondent bank and did not pass through the U.S. financial system. As advised by our International Sanctions Legal Advisors, based on these facts of the Syrian Transaction, such transactions did not represent a technical violation of U.S. primary sanctions.

Secondary Sanctionable Activities in the Relevant Regions

Iranian Transactions and Syrian Transaction

As advised by our International Sanctions Legal Advisors, the U.S. has passed legislation establishing secondary sanctions applicable to non-U.S. persons and entities who engage in (i) certain defined economic activity with Iran; and (ii) certain Syria-related activities. In relation to the Iranian Transactions and the Syrian Transaction: (i) we did not sell any items that are subject to the EAR to Iran and Syria; (ii) we did not sell to any sanctioned parties in Iran and Syria; (iii) the products sold to Iran and Syria were for non-sensitive goods for civilian use; (iv) we have stopped accepting new orders from Iranian customers or any other Iranian entities since May 1, 2026, and we have no outstanding contractual obligation to be fulfilled as of the Latest Practicable Date; and (v) we have ceased our any transaction with our customers located in Syria since January 1, 2026; as such, the risk that the Iranian Transactions and Syrian Transaction would result in the imposition of sanctions on the Relevant Persons is fairly low.

Russian Transactions

During the Track Record Period, we sold certain commercial products including fitness equipment, hardware tools and machinery, building decoration materials and daily household goods to Russia, which were settled through third-party payments in USD ("**Russian Transactions**").

As advised by our International Sanctions Legal Advisors, the U.S. government, through Executive Order 14024, has grounds for OFAC to designate any entity that is viewed to be "operating in" certain designated sectors of the Russian economy. OFAC has wide discretion to determine what entities are operating in such sectors, and the Russian Transactions could create exposure could create secondary risk exposure under the designated sectors to the extent OFAC were to view such sales as provision of goods as "operating in" those sectors. As of the Latest Practicable Date, we had not been designated under this Executive Order 14024 authority.

As advised by our International Sanctions Legal Advisors, given that: (i) our products sold to Russia are not listed on the Russia Critical Items Determination issued pursuant to subsection 11(a)(ii) of EO 14024 nor the Common High Priority List issued by the BIS on February 23, 2024; (ii) we did not sell any items that are subject to the EAR to Russia, nor did we engage in transactions, business or financial dealings that any directly or indirectly involve or benefit any Sanctioned Targets; and (iii) we have no presence in Russia, the risk that the Russian Transactions would be viewed as "operating" Russian "manufacturing" sector or other sectors targeted under EO 14024, thereby triggering secondary sanctions that would result in the imposition of secondary sanctions on the Relevant Persons, is fairly low.

Belarus Transactions

The U.S. government, through Executive Order 14038, has grounds for OFAC to designate any entity that is viewed to be to "operate or have operated in" certain sectors of the economy of Belarus.

We have sold second-handed cars to customer located in Belarus during the Track Record Period ("**Belarus Transactions**"). For the nature of the Belarus Transactions, (i) we did not sell any items that are subject to the EAR to Belarus; (ii) we did not sell to any sanctioned parties in Belarus; and (iii) the products sold to Belarus were for civilian use. As advised by our International Sanctions Legal Advisors, given the nature of the Belarus Transactions, the risk that the Belarus Transaction would result in the imposition of sanctions on the Relevant Persons is fairly low.

Internal Control Measures in Relation to International Sanctions and U.S. Export Controls

We have implemented internal control policies and procedures to monitor and manage our exposure to international sanctions and U.S. export control laws in the conduct of our business operations. These measures are designed to identify, assess and mitigate potential sanctions and export control risks associated with our counterparties, transactions, products and logistics arrangements.

In particular, we have adopted the following key internal control measures:

- ***Sanctions screening and counterparty due diligence***. We conduct screening of our customers, suppliers and other counterparties against applicable sanctions lists, including, among others, the OFAC SDN List and other relevant restricted party lists. Transactions involving counterparties located in jurisdictions subject to heightened sanctions risk (including the Relevant Regions) are subject to enhanced review procedures.

- ***Transaction review and approval***. We have established internal review procedures for transactions involving jurisdictions or business activities that may give rise to sanctions or export control considerations. Such transactions are subject to review by designated personnel with relevant compliance responsibilities, and where necessary, escalated for further assessment.

- ***Product classification and export control assessment***. We assess whether our products fall within the scope of applicable export control regimes, including the EAR, and maintain internal procedures to ensure that products subject to export control restrictions are appropriately identified and handled.

- ***Payment and logistics controls***. We monitor payment arrangements and logistics arrangements to identify potential U.S. nexus (such as U.S. dollar payments or involvement of U.S. financial institutions) and to manage potential risks associated with transportation providers. Where circumstances warrant, we conduct additional review of vessels or carriers involved in shipments.

- ***Business restrictions and remedial measures***. We have discontinued transactions with customers located in Iran, Syria, Russia and Belarus. We also do not maintain any physical presence, subsidiaries or operations in Russia, Belarus, Iran or Syria, nor other Comprehensive Sanctioned Countries.

- ***Training and internal awareness***. We provide periodic training to relevant personnel to enhance awareness of applicable sanctions and export control requirements and to ensure consistent implementation of our internal policies. We also seek advice from counsels on a periodic basis and in relation to specific transactions where appropriate.

Notwithstanding the above, sanctions and export control laws and regulations are subject to change and may be subject to differing interpretations by relevant authorities. We will continue to monitor regulatory developments and enhance our internal control measures as appropriate to ensure ongoing compliance.

AWARDS AND RECOGNITIONS

We have received a number of awards and recognition in respect of our technologies and products. The following table sets forth major awards and recognitions we received during the Track Record Period:

Year	Name of Award or Recognition	Awarding Authority
2025	Yiwu Municipal Government Quality Award (義烏市政府質量獎)	Yiwu Municipal People's Government (義烏市人民政府)
2025	SSE Golden Quality — 2025 ESG Award (上証鷹金質量2025ESG獎)	China Securities Journal (中國証券網)
2025	Investor Relations Management Pegasus Award (投資者關係管理天馬獎)	Securities Times (証券時報)
2025	Vice Chairperson Unit (副會長單位)	Zhejiang Association of Public Companies (浙江上市公司協會)
2024	2024 Capital Power Annual Selection — "Industry Influence Award" (2024年資本力量年度評選"行業影響力獎")	Securities Star (証券之星)
2024	Outstanding Practice of the Board Office of Listed Companies for 2024 (2024上市公司董事會辦公室優秀實踐)	China Association for Public Companies (中國上市公司協會)
2024	National May 1st Labor Award (全國五一勞動獎狀)	All-China Federation of Trade Unions (中華全國總工會)
2023	China Red Cross Dedication Medal (中國紅十字奉獻獎章)	Red Cross Society of China (中國紅十字會)
2023	National May 4th Red Flag Communist Youth League Committee (全國五四紅旗團委)	Central Committee of the Communist Youth League of China (共青團中央)
2023	Meritorious Market at the 13th China Commodity Market Summit (第十三屆中國商品市場峰會功勳市場)	Organizing Committee of the China Commodity Market Summit (中國商品市場峰會組委會)
2023	National Advanced Internal Audit Collective (全國內部審計先進集體)	China Institute of Internal Auditors (中國內部審計協會)