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Application Proof of



Zhejiang China Commodities City Group Co., Ltd.

浙江中國小商品城集團股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

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Zhejiang China Commodities City Group Co., Ltd.

浙江中國小商品城集團股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

[REDACTED]

Number of [REDACTED] under : [REDACTED] H Shares (subject to the
the [REDACTED] [REDACTED])
Number of [REDACTED] : [REDACTED] H Shares (subject to
reallocation)
Number of [REDACTED] : [REDACTED] H Shares (subject to
reallocation and the [REDACTED])
Maximum [REDACTED] : HK\$[REDACTED] per H Share, plus
brokerage of 1%, SFC transaction levy of
0.0027%, Hong Kong Stock Exchange
trading fee of 0.00565% and AFRC
transaction levy of 0.00015% (payable in
full on application in Hong Kong dollars
and subject to refund)
Nominal value : RMB1.00 per H Share
[REDACTED] : [REDACTED]

Joint Sponsors, [REDACTED]



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IMPORTANT

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

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SUMMARY

This summary aims to give you an overview of the information contained in this Document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire Document before you decide to [REDACTED] in the [REDACTED].

There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in the section headed “Risk Factors.” You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

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:

INDUSTRY POSITION

 World’s Largest Small Commodities Wholesale Marketplace ⁽¹⁾	 World’s Largest International Trade Comprehensive Services Platform ⁽²⁾ No. 1 Among China’s Small Commodities Wholesale Marketplaces for 36 Consecutive Years ⁽³⁾	 China’s Only First-batch Pilot under China’s Positive List for Imported Daily Consumer Goods

SCALE OF OPERATIONS

 ~1.6 million sq.m. Total Lettable Marketplace Area ⁽¹⁾	 RMB19,707.4 million Revenue (2025) 2023–2025 Revenue CAGR: 32.2%	 RMB4,215.7 million Net Profit (2025) 2023–2025 Net Profit CAGR: 25.4%

SUPPLY & DISTRIBUTION

 ~80,000 Merchants At Yiwu China Commodities City	 ~5.6 million Registered Buyers On Chinagoods	 >28,000 Users Cumulatively on “World Yiwu” ⁽³⁾

GLOBAL FOOTPRINT

 78 Overseas Projects Including Overseas Sub-Markets, Warehouses, Showrooms, Exhibitions and Chinagoods ⁽¹⁾	 >30,000 sq.m. Area of Self-Operated Warehouses in Overseas Markets	 >170 Countries and Regions Coverage of Yiwu Pay Services

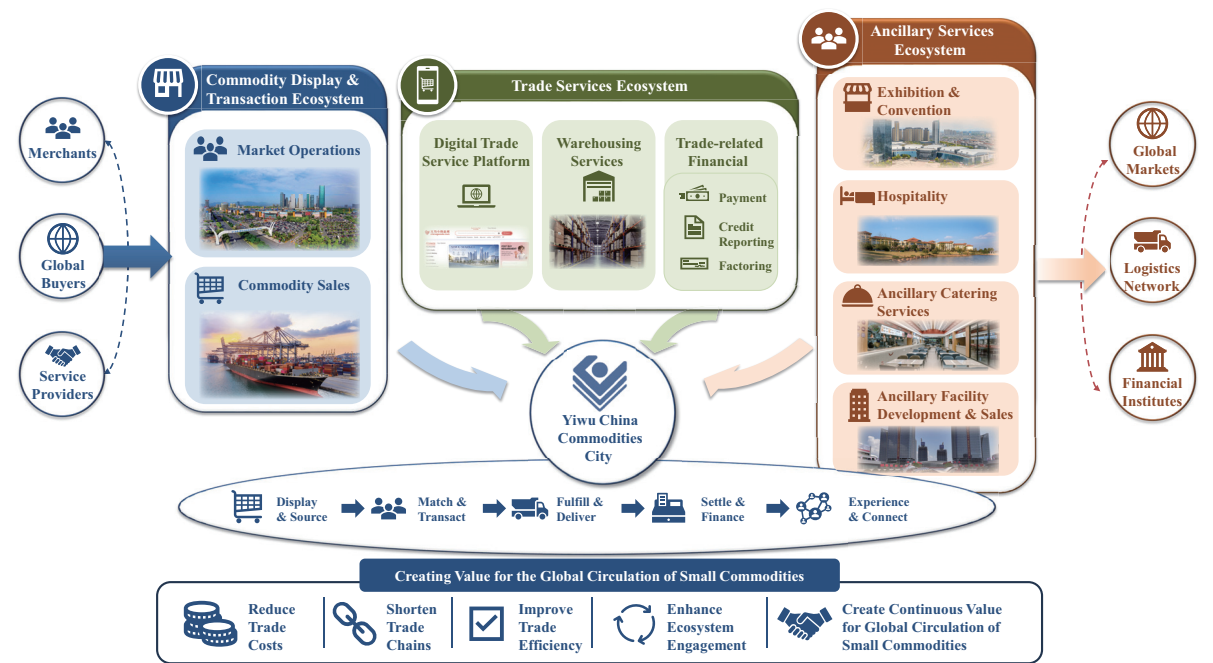
Notes:

- (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.

SUMMARY

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 services 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

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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 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.

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. 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. 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. On this basis, building on our strengths in both export and import markets, we are exploring a more integrated import-export model, aiming 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.

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. In parallel, rapid advances in artificial intelligence (“AI”) are reshaping traditional trade processes. We have been actively applying AI technologies to trade-related scenarios through the development of “World Yiwu” Large Language Model (“LLM”), with Artificial Intelligence Generated

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Content (“AIGC”) technologies deployed at scale across merchant operations. 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. 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.

See “Business — Overview.”

OUR STRENGTHS

We believe the following competitive strengths contribute to our success and position us for continued growth: (i) world-leading operator of small commodity trading infrastructure with strong barriers to entry; (ii) an inimitable comprehensive trade services platform built around our physical market operations; (iii) advanced digital capabilities supporting business, commodity and capital flows; (iv) pioneer in national trade reforms and central platform for the globalization of China’s small commodities trade; (v) core platform-level competitive barriers built upon Yiwu’s industrial clustering and business environment; and (vi) vision-driven leadership, market-oriented talent force and commitment to social responsibility. See “Business — Our Strengths.”

OUR STRATEGIES

We plan to strengthen our market position by implementing the following strategies: (i) expand our trade infrastructure and global fulfillment network; (ii) establish an industrial ecosystem through collaboration market players from different sectors; (iii) advance digital transformation through technology innovation; and (iv) enhance our corporate governance and organizational agility. See “Business — Our Strategies.”

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 a comprehensive business ecosystem that facilitates the display, trading and fulfillment of small commodity transactions serving merchants and buyers worldwide. Our business is organized into: (i) market operations; (ii) trade services; (iii) commodity sales; (iv) ancillary services and (v) ancillary facility development and sales.

SUMMARY

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. 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.

Our marketplace portfolio comprises the International Trade Mart Districts 1–5, the Global Digital Trade Center, Huangyuan Market, the International Production Materials Market and Binwang Market, which have been developed under an industry clustering model to enhance sourcing efficiency and transaction activity. During the Track Record Period, the number of booths increased from 60,398 as of December 31, 2023 to 66,642 as of December 31, 2025, while the number of merchants rose from 73,758 to 79,528 over the same period.

Trade Services

Our trade services primarily consist of (i) digital trade services delivered through platforms including *Chinagoods* and other forms of trade services, which serves as online extensions of our physical marketplaces that enable merchants to present products, connect with buyers and generate trade leads; (ii) warehousing services, which support merchants in our physical marketplaces with centralized storage, handling and delivery of goods and enable coordinated order fulfillment for both domestic and cross-border trade; 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.

Digital Trade Services

Chinagoods is our key proprietary digital trade services platform primarily serving B2B participants 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. As of December 31, 2023, 2024

SUMMARY

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.

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 addition, we offer value-added warehousing services designed to support merchants’ short-cycle or ad hoc inventory turnover needs. 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.

Trade-Related Financial Services

- ***Payment Solutions — Yiwu Pay.*** We support merchants’ trade settlement needs with Yiwu Pay, our payment solutions. Regulated by the People’s Bank of China (“**PBOC**”) and State Administration of Foreign Exchange, we primarily offer cross-border payment services to merchants in our physical marketplaces and digital 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 2023, 2024 and 2025, the total transaction volume 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 customers in cross-border payments.
- ***Credit Reporting Services.*** As a 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. 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.
- ***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. In 2023, 2024 and 2025, we served 163, 176 and 158 merchants, respectively.

Commodity Sales

Our commodity sales business involves selling selected products through trading activities and new retail operations in which we act as the principal. We mainly conduct commodity sales through two channels: (i) domestic and cross-border trading and (ii) new retail operations under our proprietary ICMALL brand. 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.

- ***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. In our import trading business, we procure products from overseas suppliers and resell such products to domestic trading

SUMMARY

partners within the PRC. In export trading, we procure products from domestic manufacturers and marketplace merchants and resell them to overseas trading partners. The number of our trading partners was 280, 361 and 473 as of December 31, 2023, 2024 and 2025, respectively.

- ***New Retail Operations — ICMALL (愛喜貓).*** As part of our strategy to extend Yiwu China Commodities City ecosystem into consumer-oriented distribution channels, we operate ICMALL as our proprietary new retail brand primarily targeting end consumers. ICMALL offers a portfolio of curated 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. ICMALL is demand-driven 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. Our offline network consists of partner-operated stores and directly-operated stores. Online sales are conducted through our WeChat mini program as part of the O2O model and are managed under the same centralized operational framework as our offline retail operations.

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 addition, we offer exhibition-related supporting services, including exhibitor solicitation and on-site exhibition management.
- ***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 accommodations 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, (i) we self manage eight hotels and service apartments; and (ii) manage two hotels as mandated by third-party property owners.
- ***Our Ancillary Catering Services.*** We provide ancillary catering services to our employees, merchants and visitors in our physical marketplaces and offices through Fingertip Canteens and Yandoo Cafés. As of the Latest Practicable Date, we operate 17 Fingertip Canteens and six Yandoo Cafés, respectively.

Ancillary Facility Development and Sales

Our ancillary facility development and sales projects primarily intend to support and enhance our comprehensive trade ecosystem by providing functional spaces for merchants, trade service providers and related market participants. During the Track Record Period, we operated three projects, namely, the Global Digital Trade Center, Yiwu Cross-Border E-Commerce Logistics Park (S3) and Haicheng Market.

See “Business — Our Business.”

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. 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

SUMMARY

trading enablement, order and fulfilment coordination, settlement and payment processing and risk control. 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. 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.

See “Business — Research, Development and IT Infrastructure.”

OUR CUSTOMERS

Our major customers primarily comprise merchants, buyers and trading partners in our ecosystem. 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, respectively. In the same year, 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, respectively.

See “Business — Our Customers.”

OUR SUPPLIERS

Our major suppliers primarily comprise commodity traders, property management companies and service providers, cloud and data service providers, manufacturers and construction contractors. 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, respectively. In the same years, 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, respectively.

See “Business — Our Suppliers.”

COMPETITION

We operate in the international trade comprehensive services platform industry. 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 services ecosystem and compliance-oriented operating capabilities, we aim to further consolidate our leading position in the industry.

See “Industry Overview”.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

As of the Latest Practicable Date, we were subject to one major pending litigation involving a contract dispute initiated by our contractor on additional construction costs and related expenses allegedly incurred beyond the agreed scope of work. For reasons specified in “Business — Legal Proceedings and Compliance — Legal Proceedings,” our Directors are of the view that the result of this legal proceeding will not have a material adverse effect on our business, financial conditions and results of operations.

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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, and we were not 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. During the Track Record Period, PBOC Zhejiang Branch identified certain non-compliances with relevant PRC laws and regulations and issued administrative penalties over matters related to our payment business. See “Business — Legal Proceedings and Compliances — Compliance.”

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 noncompliance 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.

SUMMARY OF HISTORICAL AND FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, derived from the Accountants’ Report set out in Appendix I. The summary consolidated financial data set forth below should be read together with the consolidated financial statements in this Document, including the related notes. Our consolidated financial information was prepared in accordance with IFRS.

Selected Items from the Consolidated Statements of Profit or Loss

The following table sets forth a summary of our consolidated statements of profit or loss for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Revenue	11,280,779	15,474,884	19,707,436
Cost of Revenue	(8,305,742)	(10,644,613)	(13,518,244)
Gross profit	2,975,037	4,830,271	6,189,192
General and administrative expenses	(710,026)	(797,394)	(951,422)
Selling and marketing expenses	(240,304)	(321,433)	(470,767)
Research and development expenses	(21,749)	(23,221)	(40,714)
Net impairment reversals/(losses) on financial assets	2,138	(12,891)	(10,710)
Other income	71,526	170,944	118,057
Other gains, net	221,270	122,466	387,054
Operating profit	2,297,892	3,968,742	5,220,690
Finance income	67,434	42,136	66,769
Finance costs	(193,111)	(141,845)	(79,493)
Finance costs, net	(125,677)	(99,709)	(12,724)
Share of profit of investments in associates and joint ventures	1,035,858	159,710	199,606
Profit before income tax	3,208,073	4,028,743	5,407,572
Income tax expense	(526,670)	(950,495)	(1,191,856)
Profit for the year	2,681,403	3,078,248	4,215,716
Attributable to:			
— Owners of the Company	2,676,182	3,073,677	4,203,547
— Non-controlling interests	5,221	4,571	12,169
	2,681,403	3,078,248	4,215,716

SUMMARY

Selected Items from the Consolidated Statements of Financial Position

The following table sets forth selected information from our summary consolidated balance sheet as of the dates indicated, which has been extracted from our audited consolidated financial statements included in Appendix I to this Document.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Total non-current assets	29,626,431	29,434,484	29,546,362
Total current assets	6,592,516	9,733,977	14,859,074
Total assets	36,218,947	39,168,461	44,405,436
Total non-current liabilities	4,782,561	1,026,841	8,333,855
Total current liabilities	13,732,448	17,569,160	13,042,890
Total liabilities	18,515,009	18,596,001	21,376,745
Net current (liabilities)/assets	(7,139,932)	(7,835,183)	1,816,184
Net assets	17,703,938	20,572,460	23,028,691

Our net current liabilities increased by 9.7% from RMB7,139.9 million as of December 31, 2023 to RMB7,835.2 million as of December 31, 2024, primarily due to (i) an increase in borrowings of RMB2,012.0 million, and (ii) an increase in contract liabilities of RMB1,493.1 million and, partially offset by an increase in cash and cash equivalents of RMB2,618.2 million.

Our net current liabilities of RMB7,835.2 million as of December 31, 2024 turned to net current assets of RMB1,816.2 million as of December 31, 2025, primarily due to (i) a decrease in borrowings of RMB6,716.4 million, (ii) an increase in restricted cash and term deposits of RMB2,520.3 million, and (iii) an increase in wealth management products of RMB1,385.1 million, partially offset by (i) an increase in contract liabilities of RMB1,532.8 million, and (ii) a decrease in cash and cash equivalents of RMB1,243.5 million, and (iii) an increase in trade payables of RMB526.2 million.

Our net assets increased by 16.2% from RMB17,703.9 million as of December 31, 2023 to RMB20,572.5 million as of December 31, 2024, primarily attributable to profit for the year of RMB3,078.2 million, see “Financial Information — Year-To-Year Comparison of Results of Operations — Year ended December 31, 2024 Compared with Year ended December 31, 2024,” partially offset by the declaration of dividends of RMB1,096.6 million.

Our net assets increased by 11.9% from RMB20,572.5 million as of December 31, 2024 to RMB23,028.7 million as of December 31, 2025, primarily attributable to profit for the year of RMB4,215.7 million, see “Financial Information — Year-To-Year Comparison of Results of Operations — Year ended December 31, 2025 Compared with Year ended December 31, 2025,” partially offset by the declaration of dividends of RMB1,809.6 million.

SUMMARY

Selected Items from the Consolidated Statements of Cash Flow

The following table sets forth a summary of our cash flows for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net cash flows generated from operating activities	1,783,547	4,461,554	10,556,949
Net cash flows (used in)/generated from investing activities	(1,313,482)	1,252,591	(5,677,192)
Net cash flows generated from/(used in) financing activities	460,484	(3,095,033)	(6,105,628)
Cash and cash equivalents at beginning of year	1,981,201	2,910,179	5,528,369
Effects of exchange rate changes on cash and cash equivalents	(1,571)	(922)	(17,648)
Cash and cash equivalents at end of year	2,910,179	5,528,369	4,284,850

Key Financial Ratios

The following table sets forth our key financial ratios for the years indicated or as of the dates indicated:

	As of/For the Year ended December 31,		
	2023	2024	2025
Gross profit margin (%)	26.4	31.2	31.4
Net profit margin (%)	23.8	19.9	21.4
Return on equity (%)	16.2	16.1	19.3
Gearing ratio (%)	52.9	37.1	15.2

See “Financial Information — Key Financial Ratios” for calculation of the above financial ratios.

RISK FACTORS

We face risks including those set out in the section headed “Risk Factors.” As different investors may have different interpretations and criteria when determining the significance of a risk, you should read the “Risk Factors” section in its entirety before you decide to invest in our Shares. Some of the major risks that we face include: (i) Changes in industry dynamics, including shifts in consumer preferences, the entry of new market participants and changes in public policies in the international trade industry, may intensify competition, slow down our growth and materially adversely affect our profitability; (ii) Our business relies partially on the vibrancy and transaction volume of our physical marketplaces. Any downturn in market activity, decline in transaction volume, disintermediation of trade chain or weakening or replacement of such marketplaces by alternative trading channels may adversely affect our results of operations; (iii) Our business sustainability depends partially on maintaining our relationship with existing merchants and attracting new merchants in our marketplaces. Any significant changes in the composition of, or the loss of merchants, could have an adverse impact on our business; (iv) Our investments in the maintenance, upgrading or expansion of our marketplaces may not be carried out successfully or achieve expected results; and (v) Our business is subject to extensive and evolving regulatory requirements, and any failure to comply with evolving laws, regulations or licensing requirements may adversely affect our business.

See “Risk Factors.”

SUMMARY

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, CCC Holdings directly controlled approximately 56.37% of the total issued share capital of our Company. CCC Holdings is a wholly-owned subsidiary of MD Group. Accordingly, CCC Holdings and MD Group are our Controlling Shareholders.

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), the Controlling Shareholders will continue to control over [REDACTED]% of the total issued share capital of our Company and will remain as our Controlling Shareholders upon the [REDACTED]. For details, see “History, Development and Corporate Structure — Corporate Structure.”

Our Company has entered into certain continuing connected transactions with our Controlling Shareholders and/or their respective associates. For details, see “Connected Transactions”.

[REDACTED]

[REDACTED]

[REDACTED] represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. We estimate that our [REDACTED] will be approximately RMB[REDACTED] million (assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED]) and no exercise of the [REDACTED]), representing [REDACTED] of the gross [REDACTED] (based on the mid-point of our indicative [REDACTED] for the [REDACTED] and assuming that the [REDACTED] is not exercised) of the [REDACTED]. We did not incur any [REDACTED] in relation to the [REDACTED] during the Track Record Period. Our Directors do not expect such [REDACTED] to materially impact our results of operations in 2026. By nature, our [REDACTED] are composed of (i) [REDACTED] of approximately RMB[REDACTED], and (ii) [REDACTED] related [REDACTED] of approximately RMB[REDACTED], which consist of fees and [REDACTED] of legal advisors and Reporting Accountant of approximately RMB[REDACTED] and other fees and [REDACTED] of approximately RMB[REDACTED].

SUMMARY

FUTURE PLANS AND USE OF [REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the stated range of the [REDACTED] between HK\$[REDACTED] and HK\$[REDACTED] per [REDACTED]), we estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] from the [REDACTED] after deducting the [REDACTED], fees and other estimated [REDACTED] in connection with the [REDACTED] and assuming the [REDACTED] is not exercised. In line with our strategies, we intend to use our [REDACTED] from the [REDACTED] for the following purposes:

- Approximately [REDACTED] of the net [REDACTED], or approximately HK\$[REDACTED], will be used for supporting our overseas integrated business expansion.
- Approximately [REDACTED] of the net [REDACTED], or approximately HK\$[REDACTED], will be used for the development, construction and promotion of the Global Trade Services Center.
- Approximately [REDACTED] of the net [REDACTED], or approximately HK\$[REDACTED], will be used for obtaining overseas financial and payment licenses of Yiwu Pay and the systematic strengthening of our cross-border financial services capabilities.
- Approximately [REDACTED] of the net [REDACTED], or approximately HK\$[REDACTED], will be used for technology, system upgrades, R&D, and optimization of the underlying in system architecture for the *Chinagoods*.
- Approximately [REDACTED] of the net [REDACTED], or approximately HK\$[REDACTED], will be used for working capital and general corporate purposes.

See “Future Plans and Use of [REDACTED].”

DIVIDENDS AND DIVIDEND POLICY

Any declaration and payment, as well as the amount of dividends, will be subject to our existing articles of association and will adhere to our Articles of Association which will take effect upon [REDACTED], as well as the relevant PRC laws. In 2023, 2024 and 2025, we paid dividends of RMB356.6 million, RMB1,096.6 million and RMB1,809.6 million, respectively.

Pursuant to our existing articles of association, we may distribute profits in cash, by way of shares, or a combination of cash and shares, and we will generally prioritize cash dividends where the relevant conditions are satisfied and the payment will not affect our ability to continue as a going concern. our Board will determine the amount and timing of any dividends after taking into account our operating results, financial condition, cash flows, funding needs and other relevant factors at the time. Specifically, the minimum cash dividend ratio shall generally be not less than (i) 80% if we are at a mature stage with no material capital expenditure arrangements, (ii) 40% if we are at a mature stage with material capital expenditure arrangements, or (iii) 20% if we are at a growth stage with material capital expenditure arrangements. In addition, in connection with any public offering of new shares, issuance of convertible company bonds or rights issue, we are required to have distributed, on a cumulative basis, no less than 30% of our average distributable profits for the most recent three financial years in cash. We currently do not have any formal dividend policy other than the above and do not have any fixed dividend pay-out ratio.

SUMMARY

LISTING OF OUR A SHARE ON THE SHANGHAI STOCK EXCHANGE

Since May 2002, our Company has been listed on the main board of the Shanghai Stock Exchange. Our Directors confirmed that, and our PRC Legal Advisor is of the view that, during the Track Record Period and up to the Latest Practicable Date, we had no instances of material non-compliance with the rules of the Shanghai Stock Exchange and other applicable securities laws and regulations of the PRC, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the [REDACTED] attention in relation to our compliance record on the Shanghai Stock Exchange.

Based on the independent due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors’ attention that would cause them to disagree with the Directors’ confirmation with regard to the compliance records of the Company on the Shanghai Stock Exchange.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Publication of 2026 Annual Financial Budget Report in A-Share AGM Materials

On April 24, 2026, we published an announcement concerning the materials for our 2025 Annual General Meeting of Shareholders (《2025年年度股東大會會議資料》) pursuant to the “Rules Governing the Listing of Stocks on Shanghai Stock Exchange” (《上海證券交易所股票上市規則》) and our Articles of Association. Among other proposals, the announcement included our 2026 Annual Financial Budget Report (《2026年度財務預算報告》), which was submitted to the Board of Shareholders for approval.

Such budgeted financial information has not been audited or reviewed by our Auditor and Reporting Accountant and should not be unduly relied upon by [REDACTED] to provide the same quality of information as that which has been subject to an audit or review. Accordingly, such budgeted financial information should not be taken as an indication of our actual financial condition, results of operations or results for any future period. [REDACTED] are advised to refer to the final version of this Document and exercise caution when using such information to evaluate our financial condition and results of operations, and should not place undue reliance upon such information.

No Material Adverse Change

We have maintained growth in business operations and development since December 31, 2025. We experienced revenue growth in the three months ended March 31, 2026 compared to the same period in 2025, primarily due to the increases in revenue from market operations and ancillary facility development and sales.

Our Directors have confirmed that up to the date of this Document there has been no material adverse change in our financial or trading position or prospects since December 31, 2025 (being the date of our latest audited financial statements) and there has been no event since December 31, 2025 which would materially affect the information shown in the Accountant’s Report set out in Appendix I to this Document.

SUMMARY

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 restricted, 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 are 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 business activities with such SDN Vessels and SDN Carriers involved (i) did not represent a violation of International Sanctions and (ii) the risk that such activities would result in the imposition of sanctions on the 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.

As advised by our International Sanctions Legal Advisors, our activities in the Relevant Regions (i) did not represent a technical violation of International Sanctions and (ii) the risk that such activities would result in the imposition of sanctions on our Group and the Relevant Persons is fairly low.

See “Business — U.S. Sanctions and Export Control Implications.”

DEFINITIONS

In this Document, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below. Certain other terms are explained in the section headed “Glossary of Technical Terms” in this Document.

“A Share(s)”	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which is/are subscribed for or credited as paid in Renminbi and are listed for trading on the Shanghai Stock Exchange and are traded in Renminbi
“Accountants’ Report”	the accountants’ report of our Company, the text of which is set out in Appendix I to this Document
“affiliate”	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	the Accounting and Financial Reporting Council
“Articles of Association” or “Articles”	the articles of association of our Company, conditionally adopted on April 29, 2026 with effect from the [REDACTED], and as amended from time to time, a summary of which is set out in Appendix VI to this Document
“BIS”	U.S. Department of Commerce, Bureau of Industry and Security
“Board” or “Board of Directors”	the Board of directors of our Company
“Business day” or “business day”	a day on which banks in Hong Kong are generally open for normal banking business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong

[REDACTED]

“CCC Big Data”	Yiwu China Commodities City Big Data Co., Ltd. (義烏中國小商品城大數據有限公司), a limited liability company established in the PRC on March 6, 2020 and a wholly-owned subsidiary of our Company
“CCC Financial Holding”	Yiwu China Commodities City Financial Holding Co., Ltd. (義烏中國小商品城金融控股有限公司), a limited liability company established in the PRC on November 3, 2016 and a wholly-owned subsidiary of our Company

DEFINITIONS

“CCC Holdings”	Yiwu China Commodities City Holding Group Co., Ltd. (義烏中國小商品城控股集團有限公司) (formerly known as Yiwu China Commodity City Holding Co., Ltd. (義烏中國小商品城控股有限責任公司)), a limited liability company established in the PRC on October 29, 2019 and one of our Controlling Shareholders
“CCC Import and Export”	Zhejiang Yiwu China Commodities City Import and Export Co., Ltd. (浙江義烏中國小商品城進出口有限公司), a limited liability company established in the PRC on May 11, 2017 and a wholly-owned subsidiary of our Company
“China” or “PRC”	the People’s Republic of China, but for the purpose of this Document and for geographical reference only and except where the context requires, references in this Document to “China” and the “PRC” do not apply to Hong Kong, Macau Special Administrative Region and Taiwan, China
“Companies (Winding up and Miscellaneous Provisions) Ordinance”	the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”, “our Company”, “the Company”	Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司), formerly known as Zhejiang Yiwu China Commodity City Co., Ltd. (浙江義烏中國小商品城股份有限公司), a joint stock company established in the PRC with limited liability on December 28, 1993, the A Shares of which have been listed on the Shanghai Stock Exchange (stock code: 600415)
“Company Law” or “PRC Company Law”	Company Law of the People’s Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
“Comprehensively Sanctioned Countries”	any country or territory subject to a general and comprehensive export, import, financial or investment embargo under sanctions-related law or regulation of the Relevant Jurisdiction, during the Track Record Period, Cuba, Iran, North Korea, Syria, the Crimea Region of Russia/Ukraine, the self-proclaimed Luhansk People’s Republic (LPR) and Donetsk People’s Republic (DPR) regions and Zaporizhzhia and Kherson regions
“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules and unless the context requires otherwise, refers to CCC Holdings and MD Group, as further detailed in the section headed “Relationship with Our Controlling Shareholders” in this Document

DEFINITIONS

“Countries subject to International Sanctions”	any country or territory subject either to a general and comprehensive embargo or a more limited set of export, import, financial or investment restrictions under sanctions related laws or regulation of the Relevant Jurisdiction
“CSDC”	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
“CSDC (Hong Kong)”	China Securities Depository and Clearing (Hong Kong) Company Limited
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	director(s) of our Company
“EAR”	United States Export Administration Regulations, 15 C.F.R. Parts 730–774
“EIT Law”	Enterprise Income Tax Law of the People’s Republic of China (中華人民共和國企業所得稅法), as amended, supplemented or otherwise modified from time to time

[REDACTED]

“Extreme Conditions”	the occurrence of “extreme conditions” as announced by any government authority of Hong Kong due to a super typhoon or other natural disaster of a substantial scale seriously affects the working public’s ability to resume work or brings safety concern for a prolonged period

[REDACTED]

“GDP”	gross domestic product

[REDACTED]

“Group,” “our Group,” “we” or “us”	our Company and its subsidiaries (or our Company and any one or more of its subsidiaries, as the context may require)

“Guide for New Listing Applicants” or “Guide”	the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange (as amended, supplemented or otherwise modified from time to time)

DEFINITIONS

“H Share(s)” overseas [REDACTED] foreign shares in the share capital of our Company with nominal value of RMB1.00 each, which are to be [REDACTED] for and [REDACTED] in HK dollars and are to be [REDACTED] on the Hong Kong Stock Exchange

[REDACTED]

“HK\$” or “HK dollars” Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong

[REDACTED]

“Hong Kong” or “HK” the Hong Kong Special Administrative Region of the PRC

“Hong Kong Listing Rules” or “Listing Rules” the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)

[REDACTED]

“Hong Kong Stock Exchange” or “Stock Exchange” The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited

DEFINITIONS

[REDACTED]

“IFRS”	International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board and the International Accounting Standards and interpretation issued by the International Accounting Standards Committee
“Independent Third Party(ies)”	any entity or person who is not a connected person of our Company within the meaning ascribed thereto under the Listing Rules

[REDACTED]

DEFINITIONS

“Kuaijietong”	Kuaijietong Payment Service Co., Ltd. (快捷通支付服務有限公司), a limited liability company established in the PRC on July 11, 2012 and a wholly-owned subsidiary of our Company
“Latest Practicable Date”	May 22, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this Document prior to its publication
“[REDACTED]”	[REDACTED] of the H Shares on the Main Board of the Hong Kong Stock Exchange
“Listing Committee”	the Listing Committee of the Hong Kong Stock Exchange
[REDACTED]	
“Macau”	he Macau Special Administrative Region of the PRC
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange
“MD Group”	Yiwu Market Development Group Co., Ltd. (義烏市市場發展集團有限公司), a limited liability company established in the PRC on June 27, 1993 and one of our Controlling Shareholders
“OFAC”	the U.S. Department of Treasury’s Office of Foreign Assets Control

[REDACTED]

DEFINITIONS

[REDACTED]

“PRC Governmental Body”	has the meaning ascribed thereto under the Listing Rules
“PRC Legal Advisor”	Grandall Law Firm (Hangzhou), the PRC legal advisors of our Company

[REDACTED]

“province”	a province or, where the context requires, a provincial level autonomous region or municipality, under the direct supervision of the central government of the PRC
“Regulation S”	Regulation S under the US Securities Act
“Relevant Jurisdiction”	any jurisdiction that is relevant to the Company and has sanctions related law or regulation restricting, among other things, its nationals and/or entities which are incorporated or located in that jurisdiction from directly or indirectly making assets or services available to or otherwise dealing in assets or certain countries, governments, person or entities targeted by such law or regulation. For the purpose of this Document, Relevant Jurisdictions include the U.S., EU, UK, UN and Australia
“Relevant Persons”	the Company, together with its investors and shareholders and persons who might directly or indirectly, be involved in permitting the listing, trading clearing and settlement of its shares including the Stock Exchange and related group companies
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC

DEFINITIONS

“SAC”	the Securities Association of China (中國證券業協會)
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“Sanctioned Person”	certain person(s) and identity(ies) listed on OFAC’s Specially Designated Nationals and Blocked Persons (“SDN”) List or other restricted parties lists maintained by the U.S., EU, UK, UN or Australia
“Sanctioned Target”	any person or entity (i) designated on any list of targeted persons or entities issued under the sanctions-related law or regulation of a Relevant Jurisdiction; (ii) that is, or is owned or controlled by, a government of a Comprehensively Sanctioned Countries; or (iii) that is the target of sanctions under the law or regulation of a Relevant Jurisdiction because of a relationship of ownership, control, or agency with a person or entity described in (i) or (ii)
“SASAC”	State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會)
“SAT”	the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
“Secondary Sanctionable Activity”	certain activity by the Company that may result in the imposition of sanctions against the Relevant Person(s) by a Relevant Jurisdiction (including designation as a Sanctioned Target or the imposition of penalties), even though the Company is not incorporated or located in that Relevant Jurisdiction and does not otherwise have any nexus sutra that Relevant Jurisdiction
“Securities and Futures Ordinance” or “SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Securities Law”	the Securities Law of the People’s Republic of China (中華人民共和國證券法), as amended, supplemented or otherwise modified from time to time
“SFC”	the Securities and Futures Commission of Hong Kong
“Shanghai Stock Exchange”	the Shanghai Stock Exchange (上海證券交易所)
“Share(s)”	ordinary shares in the capital of our Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
“Shareholders(s)”	holder(s) of the Share(s)
“Shenzhen Stock Exchange”	the Shenzhen Stock Exchange (深圳證券交易所)

DEFINITIONS

“Joint Sponsors”	the joint sponsors named in the section headed “Directors and Parties Involved in the [REDACTED]” of this Document [REDACTED]
“State Council”	State Council of the People’s Republic of China (中華人民共和國國務院)
“subsidiary(ies)”	has the meaning ascribed to it in section 15 of the Companies Ordinance
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the three years ended December 31, 2023, 2024 and 2025
“US Securities Act”	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
“US” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction [REDACTED]
“US\$” or “US dollars”	United States dollars, the lawful currency of the United States
“Yiwu China Commodities City”	the physical marketplaces in Yiwu under our operation and management from time to time. As of the Latest Practicable Date, such marketplaces included International Trade Mart Districts 1–5 (including District 2 East Market), Global Digital Trade Center, Huangyuan Market, International Production Materials Market, and Binwang Market.
“Yiwu SASAC”	Yiwu Municipal People’s Government State-owned Assets Supervision and Administration Office (義烏市人民政府國有資產監督管理辦公室)
“Yiwu SOC”	Yiwu State-owned Capital Operation Co., Ltd. (義烏市國有資本運營有限公司), a state-owned enterprise established in the PRC on December 30, 2013 which is in turn owned as to 85.56% by Yiwu SASAC
“Zhijie Yuangang”	an associate of us specializing in international supply chain technology and logistics services
“%”	per cent

DEFINITIONS

In this Document, the terms “associate,” “close associate,” “connected person,” “core connected person,” “connected transaction” and “substantial shareholder” shall have the meanings given to such terms in the Hong Kong Listing Rules, unless the context otherwise requires.

Certain amounts and percentage figures included in this Document have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

For ease of reference, the names of the PRC established companies or entities, laws or regulations have been included in this Document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanations of certain terms used in this Document in connection with our Group and our business. The meaning of these terms may not necessarily correspond to standard industry meaning or the usage of these terms.

“AML”	anti-money laundering, a system used to monitor, identify and flag potentially suspicious transactions for regulatory review and reporting
“AI”	artificial intelligence
“AIGC”	the use of generative AI technologies such as algorithms, large models, and deep learning to automatically create, modify, or assist in the production of diverse forms of digital content
“arm’s-length transaction”	a transaction conducted on normal commercial terms between independent parties
“bonded zone”	a customs-supervised area where goods may be stored, processed or re-exported without immediate payment of import duties
“buy-out basis”	a transaction model under which title ownership and inventory risks transfer to the purchaser upon completion of the sale
“cannibalization risk”	the risk that overlapping downstream resellers negatively affect each other’s sales within the same or similar markets
“Chinagoods”	our key proprietary digital trade service platform primarily serving B2B participants as an online extension of our physical marketplaces
“EXW”	Ex Works, a shipping arrangement in which a seller makes a product available at a specific location
“FOB”	Free On Board or Freight On Board, specifying the point at which the risk and responsibility for the goods transfer from the seller to the buyer
“Generative AI”	a type of artificial intelligence that creates new, original content by identifying patterns in massive datasets
“Gross Floor Area” or “GFA”	the total, enclosed, covered floor space of a building, measured from the outside face of the exterior walls, including all floor levels
“Haicheng Market”	A retail physical marketplace in Liaoning, China, that we held in 2023 and 2024
“industry clustering”	the organized concentration of merchants offering similar or related product categories within designated market areas

GLOSSARY OF TECHNICAL TERMS

“KYB”	Know-Your-Business, a due-diligence process for verifying the legitimacy, ownership and business scope of corporate customers
“KYC”	Know-Your-Customer, a compliance process for verifying customer identity to prevent fraud, money laundering and other illicit activities
“lettable area”	the total floor space in a commercial property available for lease to tenants, often used to determine rent and service charges
“LLM”	Large Language Model, a type of AI, based on deep learning and transformer architecture, trained on massive datasets to understand, summarize, generate, and predict human language and text
“Market Procurement Trade Model”	a PRC customs supervision regime applicable to eligible export transactions conducted through designated market clusters, providing simplified customs clearance and tax handling for qualifying shipments within prescribed value thresholds
“Negative List”	a PRC regulatory framework identifying industries where foreign investments is prohibited or restricted
“O2O”	an online-to-offline trade model integrating digital product display and trade matching with offline negotiation, inspection, fulfillment and settlement
“PBOC”	People’s Bank of China, the central bank of the People’s Republic of China, established on December 1, 1948
“recourse basis”	a financial arrangement where the borrower is personally liable if they default, allowing lenders to seize both the pledged collateral and additional personal assets to recover the outstanding balance
“State Administration of Foreign Exchange”	an administrative agency managing Chinese mainland’s \$3+ trillion foreign exchange reserves, regulates foreign exchange market activities, and monitors the balance of payments
“virtual account”	a sub-account opened under a licensed payment institution’s master account to facilitate transaction settlement
“World Yiwu”	an AI-powered, large language model service platform launched by the Company
“Yiwu Pay”	payment solutions launched by our Group

FORWARD-LOOKING STATEMENTS

This Document includes forward-looking statements. All statements other than statements of historical facts contained in this Document, including, without limitation, those regarding our future financial position, our strategy, plans, objectives, goals, targets and future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words “believe,” “expect,” “estimate,” “predict,” “aim,” “intend,” “will,” “may,” “plan,” “consider,” “anticipate,” “seek,” “should,” “could,” “would,” “continue,” or similar expressions or the negative thereof, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Important factors that could cause our actual performance or achievements to differ materially from those in the forward-looking statements include, among others, the following:

- general political and economic conditions, including those related to the PRC;
- our business prospects and our ability to successfully implement our business plans and strategies;
- future developments, trends and conditions in the industry and markets in which we operate or into which we intend to expand;
- our capital expenditure plans;
- the actions and developments of our competitors;
- our financial condition and performance;
- our dividend policy;
- any changes in the laws, rules and regulations of the central and local governments in the PRC and other relevant jurisdictions and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of our business and our business plans;
- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, including those pertaining to the PRC and the industry and markets in which we operate;
- various business opportunities that we may pursue; and
- capital market developments, changes in the global economic conditions and material volatility in the global financial markets.

Additional factors that could cause actual performance or achievements to differ materially include, but are not limited to, those discussed under “Risk Factors” and elsewhere in this Document. We caution you not to place undue reliance on these forward-looking statements, which reflect our management’s view only as of the date of this Document. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Document might not occur. All forward-looking statements contained in this Document are qualified by reference to the cautionary statements set out in this section.

RISK FACTORS

You should carefully consider all of the information in this Document, including the risks and uncertainties described below, before making an [REDACTED] in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the [REDACTED] of our H Shares could decline, and you may lose all or part of your [REDACTED]. These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section headed “Forward-Looking Statements” in this Document.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Changes in industry dynamics, including shifts in consumer preferences, the entry of new market participants and changes in public policies in the international trade industry, may intensify competition, slow down our growth and materially adversely affect our profitability.

The international trade industry in which we operate is subject to continuous change and heightened competition. Our business spans multiple segments along the international trade value chain, including market operations, trade services, commodity sales, ancillary services and ancillary facility development and sales. Changes in industry dynamics, such as evolving sourcing and procurement practices, shifts in consumer preferences, increasing digitalization of trade activities, consolidation among market participants or the emergence of new trading platforms and service providers, may alter competitive conditions and reduce the attractiveness or relevance of our existing offerings.

In particular, increased competition from alternative wholesale markets, online trading platforms, cross-border e-commerce channels and comprehensive trade services providers may divert merchants, buyers or transaction volume away from our ecosystem. New or existing competitors may offer lower pricing, more specialized services, enhanced digital capabilities or different commercial models that better address customer needs. As a result, we may face pressure on booth rental rates, service fees and margins, or be required to increase investments in market upgrades, digital infrastructure, marketing and service enhancements to maintain our competitive position, which may increase our operating costs and reduce profitability.

In addition, changes in public policies and regulatory priorities relating to international trade, market supervision, digital platforms, cross-border transactions or related industries may affect industry structure, entry thresholds and operating conditions. Policy-driven adjustments, including changes in trade facilitation measures, customs or foreign exchange practices or local market development strategies, may influence trading activity levels, merchant behavior and investment decisions within our markets and platforms. If we are unable to adapt effectively to such changes or if competitive pressures intensify more rapidly than anticipated, our business, financial condition and growth prospects could be materially and adversely affected.

RISK FACTORS

Our business relies partially on the vibrancy and transaction volume of our physical marketplaces. Any downturn in market activity, decline in transaction volume, disintermediation of the trade chain or weakening or replacement of such marketplaces by alternative trading channels may adversely affect our results of operations.

Our business is closely associated with the overall trading ecosystem of Yiwu China Commodities City, which comprises a large network of physical marketplaces, merchants, buyers and supporting service providers. The vibrancy of such ecosystem, including the level of merchant participation, buyer traffic and transaction volume, directly affects the scale of commercial activities conducted through our marketplaces and, in turn, the demand for our related services. During the Track Record Period, a significant portion of our revenue is derived, directly or indirectly, from market operations and trade service activities that are closely linked to the functioning of such physical marketplaces, which accounted for 31.1%, 32.8% and 33.3% of our total revenue in 2023, 2024 and 2025, respectively. Any decline in the attractiveness or utilization of our marketplaces, whether due to changes in buyer sourcing behavior, reduced merchant participation, macroeconomic fluctuations affecting trade activities or disruption to on-site trading activities, could lead to a decrease in transaction volume and adversely affect our business performance. Continuous decline in market vibrancy or transaction activities may materially and adversely affect our revenue and results of operations.

Further, the appeal of our physical marketplaces is closely linked to our role as a central hub within the commodity trading chain, integrating and connecting upstream production with downstream procurement, including manufacturers, wholesalers and individual buyers. However, the continued development of alternative trading channels, particularly digital platforms, cross-border e-commerce and direct sourcing models, may result in disintermediation of traditional wholesale marketplaces. To the extent that suppliers and buyers increasingly bypass physical marketplaces and conduct transactions through alternative channels, the role of our marketplaces as a central trading hub may be weakened, which could reduce traffic, transaction volume and demand for related services. To compete with alternative trading channels, we may incur additional effort in diversifying the structure of merchants and products, providing better customer services and enhancing transaction efficiency. Failure to continue increasing the value of our physical marketplace may adversely affect our business scale, revenue and results of operation.

Our business sustainability depends partially on maintaining our relationship with existing merchants and attracting new merchants to our marketplaces. Any significant changes in the composition of, or the loss of merchants, could have an adverse impact on our business.

The composition, scale and quality of our merchant base directly influence the level of trading activity conducted within our marketplaces and, in turn, the demand for our services. Accordingly, our business builds on our ability to maintain stable relationships with existing merchants and to continuously attract new merchants to offer products aligned with market trends and preferences. During the Track Record Period, the number of booths in our marketplaces increased from 60,398 as of December 31, 2023 to 66,642 as of December 31, 2025, and the number of merchants in our marketplaces increased from 73,758 to 79,528. Our existing merchant base offers a broad and diversified range of products with approximately 2.1 million SKUs, forming a stable supply foundation that supports consistent buyer traffic and recurring transaction activities. In addition, as we expand our marketplace, we have continuously introduced new merchants with new product categories to align with evolving market trends and to attract a broader customer base. For example, our newly opened Global Digital Trade Center hosts merchants in emerging industries. The sustainability of our merchant ecosystem depends on our ability to maintain a balanced and dynamic merchant composition, including retaining established merchants while onboarding new merchants that enhance product diversity and market relevance. However, merchant retention and recruitment are subject to various factors beyond our

RISK FACTORS

control, including changes in market conditions, the profitability of merchants’ operations, rental and operating costs and the availability of alternative sales channels such as e-commerce platforms and direct-to-consumer models. In addition, our merchant composition may be affected by industry trends, supply chain stability, pricing dynamics and changes in the business scale or operating conditions of major merchants. An imbalance in merchant structure, such as excessive concentration in certain product categories or insufficient participation by high-quality merchants, may reduce product diversity and market attractiveness, thereby adversely affecting buyer traffic and transaction volume. Newly introduced merchants or products may also fail to meet our expectations, or fail to comply with applicable quality or regulatory standards, which may result in reputational risks and reduced customer confidence.

We may also experience merchant turnover due to changes in market conditions, competitive pressures or adjustments to our leasing terms and admission standards. If we are unable to replace departing merchants in a timely manner, or if the overall quality of our merchant base deteriorates, our marketplace operations and performance may be adversely affected.

Furthermore, certain merchants may sublease or assign their booths to third parties. Although such arrangements are subject to our review and approval, the actual operators may differ from the original merchants in terms of operational capability, product quality and compliance standards. Excessive subleasing or frequent changes in actual operators may reduce marketplace stability and increase management and compliance costs, which could adversely affect our business.

Failure to maintain effective merchant admission standards, including in connection with the introduction of new types of merchants, may undermine the attractiveness of our marketplaces and adversely affect our results of operations.

Our ability to sustain the quality and competitiveness of our marketplaces depends on the effectiveness of our merchant admission and selection processes. We establish admission criteria and conduct assessments based on various factors, including alignment with category planning and evaluation of compliance track records and performance history. However, such assessments involve judgment and are inherently subject to uncertainties. The qualifications of our existing merchants may deteriorate due to lack of oversight and insufficient efforts to maintain existing standards.

As we continue to expand our marketplaces and introduce new merchant types and product categories, including those associated with emerging consumption trends and new business formats, we may face increased challenges in effectively evaluating merchant suitability and maintaining consistent admission standards. We cannot guarantee that we will be able to timely adjust our admission standards, internal controls and risk management measures to address new risks associated with evolving merchant profiles or product offerings. Any failure to effectively manage merchant admission standards, including inadequate screening, inconsistent application of criteria or insufficient post-admission monitoring, may result in the introduction of merchants or products that fail to meet customer expectations, applicable regulatory requirements or market norms, thereby further reducing buyer confidence, weakening marketplace attractiveness and adversely affecting trading activity. Further, newly admitted merchants may not perform as expected, may fail to meet applicable quality or compliance requirements, or may not align with our intended merchant composition and market positioning. If the performance of our newly admitted merchants falls below expectations, the attractiveness of our marketplaces to high-quality merchants and buyers may decline, and our customer confidence and reputation may be adversely affected, which could in turn adversely affect our results of operations.

RISK FACTORS

Poor performance and litigation of merchants at our marketplaces may adversely affect our market image.

Our marketplace hosts a number of merchants whose operational performance and reputation collectively influence the overall trading activity, product supply and market perception of our marketplaces. While we offer merchants physical booths, we have limited control over merchants’ own performance. Merchant performance is subject to their own sales and marketing efforts, their bond with customers and quality of their products. Merchants may, from time to time, experience operational difficulties, financial distress or business disruptions, which could affect their ability to maintain stable product supply, pricing competitiveness and service quality. Any deterioration in the performance of merchants may reduce transaction activity, disrupt normal marketplaces operations or negatively affect the buyer experience.

Our merchants may also, from time to time, be involved in litigation, investigations or disputes with their customers, such as those related to product quality or defects, logistics arrangements, payments, alleged infringement of intellectual property rights (including the sale of pirated, counterfeit or illegal goods), false or misleading product descriptions, after-sales services and other contractual disputes, regardless of whether such matters relate to their activities in our marketplaces. Our ability to distance ourselves from the conduct or disputes of individual merchants may be limited. Negative publicity associated with these matters may damage the reputation and credibility of our marketplace by association, even if we are not a party to such proceedings. This may lead to decreased traffic in our marketplaces, reduce merchant participation and overall transaction volume and negatively affect our results of operation.

Any decline in rental rates, lease occupancy or utilization of our marketplaces, or failure to renew leases on commercially acceptable terms, may materially and adversely affect our revenue, results of operations and cash flows.

We generate revenue from market operations primarily from rental of our booths. As such, our financial performance is directly affected by rental rates, occupancy levels and overall utilization of our marketplaces. During the Track Record Period, our average booth occupancy rate remained above 95%. Rental rates and occupancy levels are influenced by a number of factors, including market conditions, the performance and profitability of merchants, competition from other wholesale markets and alternative sales channels, as well as changes in consumer demand and industry trends. Any decline in demand for booth space, whether due to reduced merchant participation or increased availability of alternative platforms such as e-commerce and direct sourcing channels, may result in downward pressure on rental rates or lower occupancy levels.

We contract with merchants on fixed terms. Upon the expiration of existing lease agreements, we cannot guarantee that existing merchants will renew their leases, or renew on terms that are commercially acceptable to us. We may be required to offer rental concessions, accept lower rental rates, incur additional incentive costs or experience vacancy periods when retaining or replacing existing merchants. Any prolonged vacancy, underutilization of space or inability to renew leases on favorable terms may adversely affect our cash flows and profitability.

Furthermore, certain of our marketplaces or newly developed projects may experience lower-than-expected utilization, particularly during initial ramp-up, redevelopment and upgrade-related planning periods. If we are unable to achieve or maintain expected levels of occupancy and utilization, the returns on our investments in marketplace development and operations may be adversely affected. Any of the foregoing factors may result in reduced rental income and operating efficiency, which could materially and adversely affect our revenue, results of operations and cash flows.

RISK FACTORS

We may not be able to sustain revenue from entry fees and digital platform infrastructure fees, which could adversely affect our overall revenue growth and our results of operations.

We charge entry fees for newly admitted signed booths, in connection with booth reintroduction and related follow-up marketplace services that support merchants’ initial operation of such booths. We also charge digital platform infrastructure fees in connection with new merchants admitted to *Chinagoods*. The digital platform infrastructure fees reflect the upfront organizational works and preparations required to ensure merchants’ smooth entry into *Chinagoods*. While entry fees and digital platform infrastructure fees have historically contributed to our revenue growth in certain periods, these incomes are inherently episodic and may not recur at the same level, or at all, in future periods.

The amount of entry fee we generated as revenue depends on multiple factors, including (i) the pace and scale of new market development and expansion, (ii) the frequency and scope of booth reconfiguration, category restructuring or market layout adjustments, (iii) the level of demand from prospective merchants for newly allocated booths, and (iv) our ability to successfully conduct allocation arrangements in accordance with applicable rules and policies. Many of these factors are subject to changes in macroeconomic conditions, industry and trade dynamics, competitive pressures from other marketplaces, and regulatory or policy developments affecting market operations and resource allocation. In addition, entry fees are generally charged on initial allocation, and no entry fee is required upon renewal of the relevant booth usage rights. As a result, as our marketplaces mature, and to the extent that booth allocations shift towards renewals rather than new allocations or reconfigurations, our entry fee income may decline.

The amount of digital platform infrastructure fees we generate as revenue depends on multiple factors, including (i) the pace and scale of *Chinagoods* development and expansion; (ii) the level of demand from prospective and newly entered merchants; and (iii) our ability to successfully develop and upgrade services provided in *Chinagoods*. Many of these factors are subject to changes in macroeconomic conditions, industry and trade dynamics, competitive pressures from other trade service platforms and regulatory or policy developments affecting these platforms. In addition, digital platform infrastructure fees are generally charged on initial allocation, and no such fee is required upon renewal or upon service expiration. As a result, as *Chinagoods* matures, and as merchants shift towards renewals or exit rather than entry, our digital infrastructure service fees may decline.

If we are unable to maintain an adequate pipeline of new booth allocations or reconfigurations that support entry fee collection and attract merchants in registering with *Chinagoods*, or if merchant demand weakens, our revenue and results of operations may be adversely affected. Further, because entry fees and digital platform service fees may comprise a higher proportion of segment revenue in certain periods, fluctuations in their income could increase volatility in our period-to-period financial performance. Any material decline in entry fee and digital platform service fee revenue may also reduce our capacity to fund marketplace and trade service platform upgrades, digital initiatives and other operational improvements, which could in turn adversely affect the attractiveness and competitiveness of our marketplaces.

Our investments in the maintenance, upgrading or expansion of our marketplaces may not be carried out successfully or achieve expected results.

We continuously invest in the maintenance and upgrading of our existing marketplaces to enhance infrastructure, optimize layout and improve overall customer experience. As our marketplaces attract more domestic and overseas visitors, we undertake expansion projects to increase capacity, including the Global Digital Trade Center that commenced operation in October 2025. Such initiatives typically involve significant capital expenditure, extended development timelines and complex coordination among multiple stakeholders, including contractors, merchants and regulatory authorities. Our total

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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. In addition, we have continuously maintained and upgraded marketplace infrastructure. For example, the Global Digital Trade Center is equipped with business reception venues for merchants and buyers, 10-gigabit network connectivity and cross-border internet access capabilities. These upgrades improve visitors’ accessibility to merchants while accommodating both casual shopping and commercial purchases at our marketplace. However, the successful execution of these projects is subject to various risks and uncertainties, including delays in construction or renovation, cost overruns, design or planning deficiencies and challenges in obtaining necessary regulatory approvals, where applicable. Furthermore, the effectiveness of our investments depends on our ability to accurately assess market demand, industry trends and merchant needs. Any misjudgment in project positioning, scale, merchant mix or product categories may result in underutilization of capacity, inefficient allocation of resources and lower-than-expected returns on investment. If our maintenance, upgrades and expansion fail to achieve expected results or lead to underutilization of resources, our financial condition, results of operations and prospects may be materially and adversely affected.

We are subject to various risks relating to the Third-Party Payment Arrangements.

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 sales confirmations (the “**Relevant Payment Arrangements**”) entered into between us and such Relevant Customers. See “Business — Third-Party Payment Arrangements.” We face various risks related to these Relevant Payment Arrangements, including: (i) Relevant Payors who are not contractually obligated debtors may seek to reclaim funds from us; (ii) potential risks arising from our limited understanding of the source and use of funds by Relevant Payors; and (iii) claims that may be made by the liquidators of Relevant Payors. If any claims are made by Relevant Payors or their family members, creditors or liquidators, or if any legal proceedings are initiated or brought against us regarding any Relevant Payment Arrangements, we may need to allocate additional financial and management resources to address these claims or legal proceedings, which could adversely affect our business and financial performance.

We also face potential money laundering and sanctions risks as we may have limited knowledge about the source and purpose of the funds utilized by the Relevant Payors. We cannot assure you that we will not be liable to any penalties or other legal consequences or investigation or inquiry by any government authorities in relation to money laundering or other compliance issues associated with the Relevant Payors or the Relevant Payment Arrangements.

Customer complaints and product liability claims may damage our reputation and business.

We engage in commodity sales business that involve the sale of a wide range of products supplied by third-party brands and trading partners. The success of such business therefore relies heavily on the consistent satisfaction of customers with our products and services. Customer preferences are highly subjective and can vary significantly among individual customers. Products and services that are effective and appealing to one customer may not satisfy another. We are exposed to complaints and negative feedback from customers who feel we offered subpar products and services or that such products or services do not meet their expectations. We primarily facilitate the trading of grains, aquatic products, and meats. Incorrect or incomplete labelling in place of origin, species, or storage requirements or discrepancies between product specifications and documentation may lead to shipment rejection or customer disputes. Our products may also malfunction or contain defects, exposing us to product liability claims if such issues cause personal injuries or financial losses to our customers. Third parties may also bring claims or legal proceedings, which may be time-consuming and costly to defend.

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Certain product liability claims may be the result of defects from parts purchased from or processed by our merchants’ suppliers that are unrelated to us. Attempting to enforce our rights against such suppliers may be expensive, time-consuming and ultimately futile. Such suppliers may not be able to indemnify us for the losses resulting from such defects and product liability claims in full, or at all. As a result, any material product liability claim, or litigation could result in significant expenses and managerial efforts in defending them and may have a negative impact on our reputation.

In addition, products sold by merchants at our marketplaces may be defective, fail to comply with applicable laws and regulations, allegedly infringe on third-party intellectual property rights or not meet customer expectations. Any such issues may result in returns, refunds, disputes or claims for compensation and may expose us to potential liability or regulatory scrutiny, particularly where customers perceive us as responsible for the overall transaction experience.

Further, both customer complaints and product liability claims, if amplified through social media or other forums, could attract regulatory scrutiny, undermine customer trust and potentially result in administrative penalties or other mandatory corrective actions, any of which could materially and adversely affect our results of operations.

Accidents, injuries or illegal activities in our marketplace may adversely affect our reputation and subject us to liability.

We are exposed to fraudulent or illegal activities or other misconduct occurred in our marketplaces. Whether these misconduct were initiated by our employees, merchants, or buyers, we may be subject to liabilities, fines and other penalties imposed by government authorities and negative publicity. Since our merchants operate independently and may act outside the scope of our oversight, we may not be able to detect improper behavior in a timely manner, or at all. Any illegal, fraudulent, corrupt or collusive activity occurred in our premises, including, but not limited to, those in violation of anti-corruption, anti-money laundering or anti-bribery laws, the sale of counterfeit, infringing, substandard or otherwise unauthorized goods, could subject us to negative publicity that could severely damage our brand and reputation and, if conducted by our employees, could further subject us to significant financial and other liabilities to third parties and fines and other penalties imposed by government authorities. Accordingly, our failure to detect and prevent fraudulent or illegal activities or other misconduct in our marketplaces may materially and adversely affect our business, financial condition and results of operations.

Our ICMALL brand exposes us to various operational and commercial risks. Any ineffective management of such risks may materially and adversely affect our results of operations.

Our self-operated brand, ICMALL, primarily serves end-customers by integrating online and offline sales channels with unified brand, pricing, product and operational standards. Our supply chain depends on our ability to maintain stable relationships with suppliers and to secure sufficient product supply at commercially reasonable prices and within acceptable lead times. We may be affected by increases in the cost of raw materials or finished goods, supply shortages, extended lead times or disruptions in supplier operations. Our supply chain may be subject to price volatility, disruptions or shortages caused by factors beyond our control, such as commodity price fluctuations, changes in supply and demand, logistics and processing costs, inflation, governmental regulations and policies, cross-border trade policies and geopolitical tensions. In addition, our ability to diversify our supplier base may be limited for certain products, which may increase our exposure to supplier concentration risks. Therefore, any significant increase in the prices of consumer goods we procure, particularly in key product categories within our ICMALL operations, could adversely affect our cost structure and gross profit margin, and any significant disruption in our supply chain may adversely affect our product availability, pricing and margins.

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Our ICMALL business is subject to market competition, pricing pressure and changes in consumer demand. We may need to adjust our pricing strategies or offer promotions to remain competitive, which may negatively affect our margins. Our business also exposes us to risk of delayed payment, partial or total default by counterparties, merchants or customers, particularly in periods of economic uncertainty or industry downturns. Failure to effectively assess creditworthiness, enforce payment terms or recover outstanding receivables may adversely affect our profitability.

Further, our success depends on positive brand reputation. Our brand is one of the most important assets in attracting visitors and building customer trust, which relies on accurate communication of brand messages. Failure to manage any of the above or distinguish us from other market players may undermine our value and recognition. Any negative publicity, complaints, disputes, perceived decline in service quality, product quality issues or regulatory non-compliance, whether substantiated or not, may damage our brand and reputation. These events may cause reduced market confidence and difficulties in attracting or retaining third-party collaborations.

The success of our digital trade service platforms depends on sustained user utilization and transaction activity, and failure to maintain platform traffic and monetize user participation may adversely affect our business prospects.

As an online extension of our physical marketplaces, *Chinagoods* and other forms of trade service platforms enable merchants to present products, connect with buyers and generate trade leads, thereby facilitating the initiation and matching of transactions. The long-term success of *Chinagoods* depends on our ability to facilitate merchant-buyer transactions in our physical marketplace and to generate value from add-on services we provide on *Chinagoods*. As such, *Chinagoods* presents certain operational and financial risks.

Since our product display and trade matching are products our merchants sell in physical marketplaces, our performance depends on merchants’ willing to interact and present their products. Whether displayed products ultimately lead to successful transactions largely depends on many factors outside our control, including pricing, fulfillment capacities, qualities of products sold offline, responsiveness to customer inquiries and buyers’ purchasing decisions. While we facilitate merchant-buyer interactions through advertising, we cannot guarantee that product displays may convert to transactions. If merchants perceive diminished values from our platform, they may cease to utilize our platform or pay subscription fees, which may adversely affect our financial performance and results of operations.

Chinagoods also coordinates trade services such as warehousing and trade-related financial services. In addition, we offer value-added services, such as traffic acquisition, to certain merchants. Whether these services create monetary value or increased foot traffic in physical marketplaces may partially determine merchants’ stickiness to *Chinagoods*, attractiveness of these services is determined by our ability to understand merchant demands and timely upgrade existing services. If services provided do not tailor to merchants’ demand or attract buyers, merchants may cease the use of these services, which may reduce activities on *Chinagoods* and our attractiveness to merchants and buyers.

Our AI-enabled features and other technologies used in our platform may not deliver expected benefits. We also rely on technologies from third parties and thus may be exposed to regulatory, reputational and intellectual property risks.

We have integrated AI-enabled features and other technologies into our operations. On *Chinagoods*, we feature functions such as AI-Powered Independent Website, *Chinagoods* AI Assistant, *Chinagoods* AI translator, *Chinagoods* AI Business Cards, *Chinagoods* AI Design and *Chinagoods* Visual Generation that diversify merchants’ promotional efforts while optimizing their functionality and

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efficiency. However, developing and deploying technologies have inherent uncertainties. AI and related technologies are subject to human error, bias, data quality, data range, surge in user traffic and rapid technological evolution. These uncertainties may cause misuse of our AI features. If our AI and technologies do not perform as expected or we fail to invest and upgrade over time, our online platform may become obsolete and adversely affect our business and financial performance.

We also rely on technologies provided by third parties, including server maintenance and video and image processing, over whom we have limited control. Any interruption, degradation or termination of such third-party technologies, or any failure by third-party vendors to comply with applicable laws or contractual obligations, could adversely affect our platform. The use of AI-enabled features and third-party technologies may also expose us to evolving regulatory requirements on data collection and processing, reputational risks and intellectual property claims. If we are required to modify, suspend or discontinue certain technologies or incur additional compliance or remediation costs, our business, results of operations and prospects may be materially and adversely affected.

Our payment, credit information and factoring-related services expose us to compliance and credit risks, and any failure to manage such risks may result in losses, penalties or reputational damage.

To ease our merchants’ burden in working capital and settlement challenges and support the smooth completion of transactions, we provide trade-related financial services that include payment, credit reporting and factoring services. The regulatory landscape governing these services is complex and evolving, and we are required to obtain respective licenses and registration for these businesses and subject to regulatory oversights. See “Regulatory Overview — Laws and Regulations Related to Payment Services of Non-Bank Payment Institution, — Regulations Related to Credit Reporting Business and — Regulations Related to Commercial Factoring.” During the Track Record Period, we received certain administrative penalties pertaining to our payment solutions. We have paid fines and strengthened internal control. See “Business — Legal Proceedings and Compliance — Compliance.” Regulators may introduce new laws, regulations or requirements, which could impose additional compliance requirements or restrict certain aspects of our business operations. Any failure or perceived failure to comply with applicable laws and regulations, or any delay in obtaining, maintaining or renewing required permits or licenses, may result in fines, penalties, suspension of operations or other regulatory actions.

Yiwu Pay primarily offers cross-border payment services for merchants in our marketplaces. In facilitating these transactions, we are exposed to risks inherent in payment processing and financial services. We rely on the validity of our licenses, stability and security of our payment systems and related infrastructure. We are also required to comply with foreign exchange regulations, anti-fraud, anti-money laundering, counterterrorism and data protection from Chinese mainland as well as jurisdictions where we hold licenses and counterparties to our cross-border settlements. See “Regulatory Overview — Law and Regulations Related to Payment Services of Non-Bank Payment Institutions.” Our settlement further depends on clearing agencies, who we do not have control of. Any system failures, processing errors or service interruptions may delay or fail our settlement, causing financial losses to buyers and merchants. Failure to maintain required licenses and effectively manage internal controls may divert our management’s attention and adversely affect our reputation, business scope and financial performance. Such non-compliance incidents expose us to regulatory scrutiny, potential penalties and reputational harm, which may adversely affect our business operations, financial condition and business prospects if similar issues recur.

As a credit reporting institution registered in the PBOC Zhejiang Branch, our business scope is subject to strict regulations and we have a reporting obligations to national regulators. See “Regulatory Overview — Regulations Related to Credit Reporting Business.” Failure to register with regulators may

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disqualify our business. During our services, we may also process and handle users’ data from local government. Any failure to adequately safeguard such data, or any unauthorized access, misuse or leakage of sensitive information, may expose us to legal liabilities, regulatory sanctions and reputational damage. Further, local branches rely on our credit reporting in evaluating enterprises’ repayment ability and grant loans. If we provide information that does not accurately reflect enterprises’ operational capacity, banks may reject financing, thereby hindering enterprises’ business sustainability. Offering inaccurate information may damage our reputation and face regulatory scrutiny, putting our credit reporting business in peril.

We provide factoring services by purchasing eligible accounts receivable from merchants arising from genuine and lawful underlying transactions. We are subject to strict regulations limiting our business scopes. See “Regulatory Overview — Regulations Related to Commercial Factoring.” If we engaged in prohibited businesses as outlined by regulators, we may be disqualified from providing factoring services and may be subject to legal proceedings. Our ability to collect trade and notes receivables depends on the creditworthiness and payment capacity of account debtors and authenticity and legality of the underlying receivables. Any deterioration of debtors’ credit worthiness as well as their delay in repayment and our failure to collect receivables may adversely affect our asset quality and financial performance. Failure in repayment may also slow down our receivable turnover, extend our cash conversion period and reduce operating cash inflows, thereby increasing our liquidity needs. In addition, our factoring applicants are concentrated amongst Yiwu-based merchants. We are thus volatile to changes in Yiwu’s international trade businesses, leading to reduced asset turnover and fluctuation in our incomes. Any of the risks above may adversely affect our results of operation and financial performance.

Our warehousing services are subject to risks relating to service and operational reliability and third-party coordination, and any service disruption may adversely affect customer satisfaction and results of operations.

We provide warehousing services that support inventory preparation within our ecosystem, including storage, rental, sorting, labeling, and loading/unloading. The quality and reliability of such services are critical to maintaining efficient transaction flows and customer satisfaction. However, our warehousing operations are subject to various operational risks, including delays in order processing, inventory inaccuracies, system failures, capacity constraints, and disruptions at our warehouse facilities, any of which could lead to increased returns, customer disputes, and potential liability claims, and if such issues persist or become frequent, our ecosystem’s overall reliability and competitiveness could be materially harmed.

We also coordinate and assist in logistics such as domestic and cross-border delivery and transportation through our associate Zhijie Yuangang. As we may be part of cross-border delivery, we may face uncertainties in customs clearance procedures and other trade policies that may drive up our prices, lead to longer delivery times or order cancellations, which may adversely affect our business and results of operations.

Our exhibition and convention business is sensitive to industry cycles, customer participation and macroeconomic conditions, and any decline in demand or scale of exhibitions may adversely affect our results of operations.

Our exhibition and convention business generates revenue through venue rental and participation fees. The performance of our exhibition and convention business depends on timing and frequency of industry fairs, exhibitors and visitors’ participation, import/export restrictions and market acceptance of local and import products. Demand and requests for exhibition and conventions services from third parties may fluctuate due to industry perception on exhibition and convention, available products and

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goods, marketing and promotional budgets and the financial condition and strategic focus of participating enterprises. Adverse economic conditions, public perceptions on local and import products and geopolitical uncertainties may reduce and deter customer and enterprise participation and willingness to purchase products on display. These factors may eventually force us to downsize or cancel scheduled exhibitions and conventions.

Customer and enterprise participation in our exhibition and convention is also influenced by competition from alternative exhibitions and online channels and the attractiveness and thematic focus of our exhibitions and conventions. Customers may expect us to offer themes tailored to new industries, diversify the size of enterprises participating and provide sufficient customer support that include transportation, translation and accessibility services. Failure to offer those services may put us at a competitive disadvantage, making us unable to attract and retain visitors and enterprises and in turn adversely affect our financial conditions and results of operations.

Our hospitality and ancillary catering services are subject to premises safety, food safety, quality control and other operational risks.

The performance of our hospitality and ancillary catering services depends on our ability to maintain safe and compliant operating environments, consistent service quality, competitive pricing and effective cost control. Demand for our hospitality and ancillary catering services is closely linked to visitor flow around our marketplaces, commercial activity and customer confidence. Any decline in occupancy rates or consumer demand, whether due to safety concerns, public health incidents, service quality issues, competition or rising operating costs, may exert downward pressure on revenue and profitability.

Our hospitality and ancillary catering services are also exposed to safety, public health and food-related risks, including fire accidents, sanitation failures, food contamination or infectious disease outbreaks. Our ancillary catering services are subject to stringent regulatory requirements relating to food operation permits, health and sanitation and food safety, while our hospitality services require ongoing compliance with safety inspections and licensing obligations. Any failure to obtain, renew or comply with such requirements, or any safety or food-related incident, may result in regulatory action, suspension of operations, reputational damage and reduced customer confidence.

In addition, we engage third parties such as third party stalls in day-to-day operations, while we supervise them and impose universal service standards. Any misconduct, non-compliance or service deficiency by such third parties may, by association, expose us to reputational harm, regulatory scrutiny and financial losses. If we are unable to effectively manage safety and quality standards, oversee third-party operators or mitigate rising operating and compliance costs, our business, financial condition and results of operations could be materially and adversely affected.

Our business involves asset-heavy operations and ongoing maintenance and development investments. Any ineffective management of properties, failure to obtain requisite approvals, delays in development or changes government policies and regulatory measures that affect the growth of the PRC real estate market may materially and adversely affect our business operations.

Our business is underpinned by extensive physical assets and infrastructure, and a significant portion of our operations is conducted through the ownership, development, operation and management of large-scale physical properties. Our property-related activities comprise both (i) properties that we develop and continue to operate and manage on an ongoing basis, and (ii) properties that we develop primarily for sale. The capital-intensive nature of these assets exposes us to a range of operational, financial and regulatory risks.

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For fixed assets that we develop and operate, including our physical marketplaces, warehousing facilities, hotels, exhibition venues and certain commercial and residential supporting facilities, our performance depends on our ability to maintain high occupancy and utilization rates, preserve the quality and functionality of our facilities and manage operating costs effectively. These properties require continuous expenditures for routine maintenance, renovation, safety compliance and functional upgrades to remain attractive to merchants, visitors and other users. Any failure to manage these assets efficiently, including deficiencies in facility condition, safety management or service quality, could lead to reduced merchant demand, lower rental or service income, operational disruptions or increased maintenance expenses. Given the long-term nature of these assets, any sustained underperformance or decline in utilization could have an negative impact on our operating results and cash flows.

For facilities that we develop primarily for sale, such as office buildings and commercial street within the Global Digital Trade Center, our ability to realize expected returns depends on market demand, pricing conditions and the pace of sales and cash collection. These activities are subject to uncertainties relating to buyer sentiment, broader economic conditions and the PRC real estate market cycle. Any slowdown in sales, failure to achieve expected pricing levels or delays in cash recovery could adversely affect our liquidity, cash flow profile and overall financial performance.

In addition, both our self-operated and sale-oriented development activities are subject to comprehensive regulatory oversight in the PRC. We are required to obtain various approvals, licenses and permits in connection with land use, construction planning, environmental protection, fire safety, completion acceptance and, where applicable, pre-sale or sale of developed properties. We cannot guarantee that we will be able to obtain all requisite approvals in a timely manner, or at all. Any delay in obtaining, or failure to obtain, required approvals, or any determination by regulatory authorities that we are not in compliance with applicable requirements, could result in construction delays, suspension of development, increased costs, administrative penalties or restrictions on operation or sale of the relevant properties.

Our trade service ecosystem relies on information systems and digital infrastructure, and any system failure, interruption or data security incident may adversely affect our operations and reputation.

The effective operation of our trade ecosystem depends on the stable and reliable performance of our information systems and digital infrastructure. These systems support a wide range of core functions across our business, including marketplace operations, *Chinagoods* operations, warehousing and logistics coordination, payment and settlement processes, customer and merchant onboarding, data management, internal operations and management decision making. In addition, certain of our services integrate online and offline operations, requiring continuous and coordinated system availability.

Our information systems and digital infrastructure are subject to risks of failure, service interruption, degradation of performance or security breaches. Such incidents may arise from various causes, including hardware or software malfunctions, system capacity constraints, human error, power outages, natural disasters, cyber-attacks, malware, ransomware, unauthorized access, third-party service failures or deficiencies in system maintenance, upgrades or disaster recovery arrangements. As our business scale and transaction volumes grow, the complexity and performance demands placed on our systems also increase, which may heighten the risk of system instability or operational disruption.

Any material failure, interruption or delay in the operation of our information systems could disrupt market activities, impair transaction processing, delay logistics coordination or payment settlement, adversely affect merchants’ and customers’ experience and result in loss of data, revenue or business opportunities. Such disruptions may also increase our operating costs through remedial

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measures, system restoration, alternative service arrangements or compensation to affected parties. In serious cases, prolonged system outages or repeated service failures could undermine confidence in the reliability of our trade ecosystem and weaken our competitive position.

In addition, certain of our information systems and digital infrastructure are supported by third-party service providers, including cloud service providers and technology vendors. We may have limited control over the performance or security practices of such third parties. Any failure, interruption or security incident involving third-party systems on which we rely could adversely affect our operations, even if such incident is outside our direct control.

We may not be able to sustain our historical growth rates, and our historical growth may not be indicative of our future performance.

We have experienced business growth during the Track Record Period, driven by factors such as the expansion and upgrading of our physical marketplaces, increased adoption of trade-related services, enhancement of our digital platforms, favorable market conditions and supportive policy and economic environments. Our revenue increased by 37.2% from RMB11,280.8 million in 2023 to RMB15,474.9 million in 2024, and further increased by 27.4% to RMB19,707.4 million in 2025. Our net profit increased by 14.8% from RMB2,681.4 million in 2023 to RMB3,078.2 million in 2024, and further increased by 37.0% to RMB4,215.7 million in 2025. Our historical performance, however, may not be indicative of our future results. The sustainability of our growth depends on multiple factors, many of which are beyond our control. These factors include, among others, overall macroeconomic conditions, trends in domestic and international trade, demand from merchants and buyers, competitive dynamics, regulatory developments, changes in cross-border trade policies and restrictions, supply chain stability, the pace of digital transformation in the trade sector and changes in customer preferences and behavior. Any adverse developments in these areas could slow the growth of our trading volumes, service adoption rates or revenue.

Furthermore, our future growth may require successful execution of expansion plans, continued capital investment and effective management of increasingly complex operations. Any delays, inefficiencies or difficulties in implementing such initiatives, or any failure to identify and capitalize on new growth opportunities, could adversely affect our growth prospects. There can also be no assurance that new initiatives or investments will achieve expected returns or contribute meaningfully to our future results. We may also encounter unforeseen difficulties in operations. Failure to address these risks and challenges may affect our business and financial performance. You should therefore not rely on our historical growth as indication of our future performance.

Overseas operations and our global expansion plan may subject us to a number of economic, political, regulatory, operational and management risks.

We are expanding our business into Europe, Southeast Asia, Central Asia and other regions. Operating in multiple jurisdictions exposes us to a wide range of economic, political, regulatory, operational and management risks inherent in cross-border business activities.

We face risks and challenges in serving overseas customers, future overseas operations and competing in international markets, including: (i) our ability to effectively manage our employees in different business environments; (ii) our ability to develop and maintain relationships with customers, suppliers and other local business; (iii) compliance with product safety requirements and standards that are different among the jurisdictions where we operate; (iv) variations and changes in laws applicable to our operations in different jurisdictions, including enforceability of intellectual property and contract rights; (v) customs regulations and the import and export of goods and raw materials; (vi) the ability to provide sufficient levels of technical support in different locations; (vii) our ability to obtain and renew

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licenses that may be needed in various jurisdictions to support operations; and (viii) our ability to obtain and maintain the necessary government approvals for outbound investment as required under applicable PRC laws, and such compliance in the past or future may be subject to investigation by PRC authorities. If any of these risks later materializes and we have failed to anticipate and effectively manage them, we may suffer a material adverse effect on our business and results of operations.

Fluctuations in foreign exchange rates may adversely impact our operating profits, and our hedging strategies may not fully mitigate such risks.

We are exposed to foreign exchange risks arising from cross-border trading activities, including services and transactions denominated in currencies other than Renminbi, such as Hong Kong dollars, U.S. dollars and Euro. Fluctuations in exchange rates may adversely affect our revenues, costs, operating margins, cash flows and the Renminbi-equivalent value of our foreign-currency-denominated assets and liabilities, and may also influence the trading activities and demand of our merchants and customers. We recorded net foreign exchange losses of RMB85.0 thousand in 2025. The value of the Renminbi is influenced by multiple factors, including market supply and demand, macroeconomic conditions and regulatory developments. It is difficult to predict how these factors may impact the exchange rate of the Renminbi against other currencies in the future. Any significant appreciation or depreciation of the Renminbi could increase the cost of, or reduce the Renminbi equivalent value of revenues derived from, cross-border trade-related activities conducted through our ecosystem, and may adversely affect demand, transaction activity and our results of operations.

In addition, the PRC government and relevant regulatory authorities maintain control over the foreign exchange system, and adjustments to foreign exchange policies or practices may affect currency conversion, remittance and settlement. Changes in foreign exchange regulations or practices could further increase our exposure to exchange rate fluctuations or limit our ability to manage such risks effectively.

Changes in international trade policies, geopolitics and trade protection measures, export control and economic or trade sanctions may materially and adversely affect our business, financial condition and results of operations.

Our international trade operations may subject us to tariffs, economic sanctions and trade restriction risks promulgated by jurisdictions where we conduct business. However, these laws and regulations are subject to frequent changes, and their interpretation and enforcement involve substantial uncertainties, which may be heightened by national security concerns or driven by political or other factors that are out of our control. We cannot predict the interpretation or implementation of government policy of any relevant sanctions authority in jurisdictions applicable to us in these countries. Therefore, such restrictions, and any future export control, sanctions laws, regulations and restrictions imposed by these relevant sanctions authorities may be difficult or costly to comply with, and may materially and adversely affect our established trade relationships and supply chain. For details, see “Business — U.S. Sanctions and Export Control Implications.”

The United States has strengthened its export control restrictions on China by implementing enhancements to the Export Administration Regulations (“**EAR**”) administered by the Bureau of Industry and Security (“**BIS**”) under the Department of Commerce. Under the EAR, a non-U.S.-produced item is subject to the EAR if it incorporates or bundles U.S.-origin controlled items valued at a certain ratio or utilizes certain U.S.-controlled software or technologies during the production process.

The BIS maintains the Entity List, a catalog of individuals and entities subject to specific licensing requirements for the export, re-export, or transfer of certain products and technology subject to the EAR. In recent years, BIS has added numerous Chinese entities to the Entity List, including certain of our

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customers and suppliers. We cannot guarantee that our business operation is free of enforcement risks. Governmental agencies have absolute discretion to determine any our past, current and future business being a violation of any sanctions, export controls or other trade restriction.

U.S. or other jurisdictions may impose further restrictions on import/export control, potentially expanding the scope in include goods or products that we procure or sell. Such changes may increase our procurement costs and limit our procurement channels. As of the Latest Practicable Date, the U.S. impose a temporary 10 percent ad valorem import surcharge for a 150-day period on goods imported into the United States, effective February 24, 2026, with certain exceptions. The U.S. also impose additional tariffs under Section 301 depending on the nature of goods, subject to periodic reviews. United States continues to assess the tariff rates it will impose on other jurisdictions, which might impact our business or financial performance. These policies have adversely affected the global economy and financial markets. As relevant policies are rapidly evolving, it may be difficult to evaluate their potential future impacts.

The U.S. government has also issued a final rule imposing restrictions on U.S. outbound investment in Chinese companies engaged in certain activities involving specified sensitive technologies and issued a broadly worded “America First Trade Policy” and an “America First Investment Policy” that seek to further restrict U.S. investments involving China (including possibly expanding technologies subject to investment restrictions and narrowing related exceptions (including those related to publicly traded securities)). On December 18, 2025, the U.S. enacted the Comprehensive Outbound Investment National Security Act of 2025 (the “COINS Act”) as part of the National Defense Authorization Act for Fiscal Year 2026. The COINS Act will supersede the above-mentioned final rule following the adoption of implementing regulations, the content of which is uncertain. If we were to be deemed a Covered Foreign Person due to changes in our business operations or amendments to relevant laws and regulations, our ability to raise capital, especially from U.S. [REDACTED], in the future may be negatively affected.

In addition, we may be subject to future enforcement action with respect to compliance with governmental economic sanctions and export controls laws that result in penalties and costs that could have a material effect on our business and operating results. The enforcement and implementation of trade restrictions that may affect our business operation could be sudden, and the impact could be out of our control to mitigate. We cannot guarantee that [REDACTED] who are subject to the jurisdictions of the U.S., the European Union, the United Kingdom, Australia and/or other jurisdictions will be willing to make [REDACTED], or may be requested to divest their [REDACTED], in us, which may have an adverse impact on the [REDACTED] and the future prevailing [REDACTED] of our H Shares. If any of our customers or suppliers becomes subject to sanctions or export control restrictions in the future, we may have to discontinue our business with such customers or suppliers due to potential sanctions and export controls liability risks. In such events, our financial results may be materially and adversely affected.

Geopolitical tensions such as wars could reduce levels of international trade, investment, technological exchange and other activities. These factors may de-stabilize global financial markets and in turn adversely affect us and our merchants and business partners. Trade restriction measures, while imposed on us, may influence foreign perception of PRC, thereby negatively affect our product marketability overseas.

Our current and future cooperation and strategic partnership may fall short of expectations or take longer than expected to materialize.

We have entered into, and may continue to pursue, cooperations and strategic partnerships with various third parties in connection with our trade ecosystem, including those in logistics and cross-border e-commerce industries. To expand our footprint, we may continue pursuing investment

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opportunities and may continue evaluating and establishing potential strategic partnerships with appropriate partners. However, we may realize the anticipated benefits from these partnerships, or these benefits may not reflect in our operational results in short-term. The success of these cooperations and partnerships depends on various factors, many of which are beyond our control, including the performance, financial condition, strategic priorities and operational capabilities of our partners, the alignment of interests between the parties, market conditions and regulatory developments. Differences in business strategies, management approaches, corporate cultures or risk tolerance may also limit the effectiveness of collaboration. Further, cooperations and partnerships may require significant time, management attention and resources to implement, and may involve integration or coordination challenges. If such arrangements are delayed, fail to perform as expected, are modified or terminated, or do not generate commensurate returns, our growth prospects, operating efficiency and results of operations could be adversely affected.

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.

Our ability to obtain good title and usage rights for our owned and leased properties are critical in managing and continuing our operations. As of the Latest Practicable Date, we had not obtained the building ownership certificate for the buildings erected on the Huangyuan Market and Shangcheng Hotel due to historical reasons. See “Business — Properties — Owned Properties.” We are actively engaging with the relevant authorities to seek a practicable solution and to advance the application process for the building ownership certificate. However, there can be no assurance that we will be able to obtain the building ownership certificate within a specific timeframe, or at all. In the event that regulatory authorities require additional procedures, impose restrictions on use, or request rectification measures that are time consuming or costly, our operations of Huangyuan Market and Shangcheng Hotel may be disrupted, and we may be forced to relocate. Relocation could involve expenses related to finding and securing new premises, moving equipment and personnel and potential downtime during the transition. Further, the absence of a building ownership certificate may limit our ability to mortgage, transfer, dispose of or otherwise realize the value of the property on commercially favorable terms, and may reduce our flexibility in financing or restructuring the relevant assets. Any of the foregoing event would result in a material adverse effect on our business operations and financial condition.

In addition, as of the Latest Practicable Date, we had not registered the lease agreement regarding one major leased property. See “Business — Properties — Leased Properties.” As advised by our PRC Legal Advisor, failure to complete the registration of lease agreements may lead to a fine imposed by the relevant PRC authorities if we fail to complete the registration of lease agreements within the stipulated period. We cannot assure you that we will not be subject to administrative penalties or other regulatory actions arising from such non-registration.

We may not be successful in implementing our business plans and strategies effectively, which may materially and adversely affect our business, financial condition and prospects.

Our business development strategies include expanding our trade infrastructure and establishing an industry ecosystem to consolidate our position within the international trade industry and facilitate global circulation of small commodities. See “Business — Our Strategies.” These business plans and strategies are based on our assumptions of future events which may entail certain risks and are inherently subject to uncertainties. These assumptions may not be correct, which could affect the commercial viability of our business plans and strategies. As such, we cannot guarantee that our business plans and strategies will be implemented successfully as scheduled, or at all.

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Delays, inefficiencies or failures in executing our business plans or strategies may result in lost market opportunities, reduced revenue, increased costs or erosion of our competitive position. Complexity of our business and the rapidly changing nature of our industry further heighten the risk if our strategic initiatives do not achieve the desired results. In particular, demand for our services may decrease if players in international trade adjust their geographic focus or reduce reliance on us. Moreover, unforeseen factors, such as adverse market conditions, difficulty in retaining qualified personnel or unexpected operational challenges, may further impede the successful implementation of our plans. Our business plans and strategies may further increase our operating costs, such as higher staff costs, and increase our cash outflows for operating and investing activities. Accordingly, if we cannot succeed in implementing our business plans and strategies, or if they do not yield ideal results, we may experience difficulties in recovering our costs and our business prospects may be materially and adversely affected.

If we cannot attract or retain our key management team or qualified personnel across diverse sectors, our business, financial condition and results of operations may be materially and adversely affected.

Hiring and retaining key management and other qualified personnel with specialized skills are critical to our business, especially as we adapt to changing customer demographics and preferences. We are in need of personnel with knowledge in domestic and overseas trade and commodity circulation and trade services. We are also in need of management personnel dedicated to our marketplace, sales and marketing personnel specialized in online social media and technical personnel, to maintain our market position and compete with new market entrants. Any departure of those key individuals could disrupt our operation, weaken our strategic execution and result in losing business opportunities. Identifying suitable replacements also requires additional time and resources. We cannot guarantee that we can find suitable replacements promptly or effectively.

We may not be able to implement our sales and marketing strategies effectively or efficiently, which may impair our ability to attract and retain customers and increase our profitability.

Our sales and marketing efforts include, among others, upfront promotion and merchant recruitment activities for newly developed or upgraded trade markets, including pre-opening marketing and opening-phase promotional campaigns and marketing and promotional expenditures associated with our services. In 2023, 2024 and 2025, our selling and marketing expenses amounted to RMB240.3 million, RMB321.4 million and RMB470.8 million, respectively, accounting for 2.1%, 2.1% and 2.4% of our revenue, respectively. However, there can be no assurance that our sales and marketing strategies will be implemented successfully or will generate the anticipated level of customer engagement, merchant participation or transaction volumes. In addition, our sales and marketing strategies may require ongoing adjustments in response to competitive pressures, technological developments and evolving industry practices, which may increase costs or reduce overall effectiveness. If our customer acquisition or retention costs increase more rapidly than expected, or if our marketing expenditures do not result in corresponding increases in revenue, our operating margins and profitability could be adversely affected.

We may from time to time become a party to litigation, other legal and contractual disputes, claims and administrative proceedings that may materially and adversely affect our business and reputation.

We may from time to time be subject to various litigation, legal or contractual disputes, claims or administrative proceedings in the ordinary course of our business, including, but not limited to, various disputes with or claims from our suppliers, customers, consumers, business partners and other third parties. As of the Latest Practicable Date, we were involved in one major pending litigation regarding construction fee arising from allegedly agree-upon scope of work in a construction contract. See

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“Business — Legal Proceedings and Compliance — Legal Proceedings.” Ongoing or threatened litigation, legal or contractual disputes, claims or administrative proceedings may divert our management’s attention and other resources. Furthermore, any litigation, legal or contractual disputes, claims or administrative proceedings which are initially not of material importance may escalate and become important to us, due to a variety of factors such as the subject matter of the disputes, the likelihood of loss, the monetary amount at stake and the parties involved. If any adverse verdict, judgment or award is rendered against us or if we settle with any third parties, we may be required to pay significant monetary damages or assume other liabilities. In addition, negative publicity arising from litigation, legal or contractual disputes, claims or administrative proceedings may damage our reputation and adversely affect the image of our brands and products, which may further materially and adversely affect our business.

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.

Our business operations involve the collection, use, storage, transmission and other processing of data. We have designed and implemented a series of data security policies to ensure that the collection, use, storage, transmission and disclosure of data. However, we cannot assure you that such measures will be sufficient to address current and future evolving technological threats specifically designed to gain unauthorized access to confidential information by infiltrating our systems. The processing and protection of large volumes of data also involve inherent risks.

Our computer systems may be subject to unauthorized intrusion, and our existing data protection measures may not be able to prevent all unauthorized access. The techniques used to obtain unauthorized access, disable services, degrade service performance or sabotage systems are constantly evolving and are often difficult to detect in a timely manner. Such threats may arise from human error, fraud or malicious misconduct by employees or third parties, or from accidental technological failures. Our defensive measures may not be effective in preventing all unauthorized access to, or improper use of, sensitive data. We cannot guarantee the absolute security of our systems or the data hosted on them, nor can we assure you that we will be able to prevent all external attacks, data breaches, fraudulent activities or misconduct by our employees and business partners. We may also be held liable for the misuse of personal information, such as unauthorized use for marketing purposes. Any failure to adequately implement or maintain effective internal control measures may expose us to liability, prolonged and costly litigation, and loss of revenue and reputational damage as a result of the misuse of personal information. See “Business — Data Security and Privacy.”

Our business operations are subject to various data privacy and security laws, such as Data Security Law of the PRC, Cybersecurity Law of the People’s republic of China and Personal Information Protection Law of the PRC. See “Regulatory Overview — Laws and Regulations Related to Cybersecurity, Personal Information Protection and Data Security.” Any security breach, cyberattack, data misuse or other related incidents, as well as any failure or perceived failure to comply with data privacy and security laws, or other concerns about our practices or policies with respect to the collection, use, storage, transmission and other processing of data and cybersecurity, may damage our reputation, customer trust and expose us to potential liabilities.

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Our business operations require significant capital resources on an ongoing basis and we may not be able to raise adequate capital to finance our business, which may restrict our ability to operate and grow our business.

We may require significant capital resources beyond those generated from operating activities from time to time to complement our business expansion and support our technical upgrades. In 2023, 2024 and 2025, our capital expenditures were RMB2,861.3 million, RMB1,600.2 million and RMB2,347.0 million, respectively. Actual costs may exceed our estimates due to delays, project scope changes, rising operational expenses or unforeseen technical challenges. We cannot guarantee that these investments will generate the expected returns, achieve full utilization or maintain competitiveness in a rapidly evolving market. Any underperformance or failure in executing these investments could materially and adversely affect our business, financial condition and results of operations.

We have historically relied on internal cash flow and external financing, including bank borrowings and bonds, to fund our capital needs. Availability of external funding is subject to market conditions, regulatory approvals and our operational performance, and may not be sufficient or available on favorable terms. If we are unable to secure adequate financing, we may be forced to defer, scale back or cancel planned investments, which could limit our growth, and materially affect our competitive position and prospects.

We may also require additional capital in the future to support our ongoing operations and business growth. However, we may not be able to obtain financing, whether through equity or debt, on favorable terms or at all when such funding is needed. If we raise additional capital through public or private equity offerings, the ownership interests of our existing shareholders, including [REDACTED] in this [REDACTED], could be diluted. Moreover, the newly issued securities may carry liquidation preferences or other rights that could adversely affect the interests of existing shareholders. Alternatively, if we obtain financing through debt instruments, we may be subject to restrictive covenants that limit our ability to incur additional debt, make capital expenditures or distribute dividends. A failure to secure the necessary funding when required could adversely affect our financial condition, limit our operational flexibility, and hinder the execution of our business strategies and growth plans execution of our business strategies and growth plans.

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.

Our business relies in part on proprietary intellectual property, including trademarks, domain names, software, systems, data, content and other intellectual property rights. We also depend on the protection of our brand, platform features and proprietary technologies to maintain our competitive position. However, we may not be able to adequately protect, enforce or defend our intellectual property rights in all jurisdictions. Our efforts to safeguard these rights may be time-consuming, costly and ultimately ineffective, and existing or future intellectual property laws and enforcement mechanisms may not provide sufficient protection against unauthorized use or infringement. Unauthorized use, imitation or misappropriation of our intellectual property by third parties could dilute the value of our brand, reduce customer trust and impair our ability to differentiate our services. In certain cases, we may be required to initiate legal or administrative proceedings to protect our intellectual property rights, which may divert management attention, result in substantial costs and expenses and may not achieve the desired outcome.

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In addition, we may be exposed to claims that we have infringed, misappropriated or otherwise violated third-party intellectual property rights, whether directly or indirectly. Such claims may arise in connection with our self-operated brand operations, online platform operations, technology systems, marketing activities, content or services, or as a result of the conduct of merchants and other third parties operating within our trade ecosystem. Furthermore, certain intellectual property disputes involving merchants, including allegations of infringement or counterfeiting, may result in claims, complaints or enforcement actions against us, notwithstanding that we do not manufacture or control the underlying products. We may be required to expend significant resources to investigate, defend against or resolve such claims, including through settlement, licensing arrangements or modification of our operations or systems. Any intellectual property-related claims, whether or not ultimately successful, could result in material liabilities, damages, fines, loss of rights, reputational harm or disruption to our business operations. In addition, adverse determinations could restrict our ability to continue using certain technologies, branding or business practices, which could impair our operations and growth prospects.

Labor-related disruptions or cost increases, and any non-compliance with social insurance and housing provident fund obligations, may subject us to penalties or additional payments and adversely affect our operations and financial condition.

Maintaining stable relationship with employees is critical to our sustainable growth. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material labor disputes. However, we cannot guarantee that we will not encounter any major labor problems in the future. If our employees were to engage in a strike or other work stoppage, we may experience disruption of our operations and higher labor costs, which in turn adversely affect our business, financial condition and operating results. In addition, labor costs in regions where we operate have been increasing in recent years and could potentially continue to increase, which may further increase our administrative costs. Additionally, regulatory changes or enhanced employee benefits mandated by law could further increase these costs. We may be required to offer more attractive compensation packages to retain and attract qualified personnel.

Companies operating in the PRC participate in various employee benefit plans required by the government, including certain social insurance, housing provident funds and other welfare-oriented payment obligations. The requirement and implementation of employee benefit plans may vary considering the different levels of economic development in different locations in the PRC, and the relevant government authorities may examine whether an employer has made adequate payments of the requisite employee benefit payments, employers who fail to make adequate payments as required may be subject to late payment fees, fines and/or other penalties. During the Track Record Period, we engaged third-party human resource agencies to pay social insurance and housing provident funds for certain employees and did not make full contributions to the social insurance and housing provident fund with respect to some employees as required by the relevant PRC laws and regulations. See “Business — Employees — Social Insurance and Housing Provident Funds.” As a result, we may be required to make additional contributions to the social insurance fund and/or housing provident fund and pay late payments and fines under PRC laws and regulations. Our PRC Legal Advisor is of the view that, assuming there are no significant changes to current PRC policies and regulations or to the enforcement and supervision requirements of local governments, and assuming no employee complaints are filed, the likelihood that we would be subject to material administrative penalties or concentrated recovery actions by the relevant authorities for our past shortfall due to our failure to provide full social insurance and housing provident fund contributions is remote. However, we cannot guarantee that we will not be subject to any order to rectify such incident, nor that there are no, or will not be any, relevant employee complaints against us. Any such order may adversely affect our reputation, financial condition and operating results.

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Our insurance coverage may not be sufficient to cover all of our potential losses.

We maintain insurance policies for major daily operational risks in jurisdictions where we operate. See “Business — Insurance.” Our insurance policies may not provide adequate coverage for all the risks connected to our business operations. If we were to incur substantial losses and liabilities that are not covered by our insurance policies, we may be required to bear our losses to the extent that our insurance coverage is insufficient. As a result, we may suffer significant costs, which may materially and adversely affect our business, results of operations and financial condition.

The loss of or a reduction in government grants and any preferential tax treatments may adversely affect our business, financial condition and results of operations.

During the Track Record Period, we received certain government grants according to relevant policies. We also have benefited from several preferential tax treatments during the Track Record Period. In 2023, 2024 and 2025, our government grants amounted to RMB32.2 million, RMB44.8 million and RMB57.3 million, respectively. See “Financial Information — Description of Major Components of Our Results of Operations — Other Income.” The government grants and preferential tax treatments we and our subsidiaries received during the Track Record Period represented various forms of incentives and subsidies granted to us by local government authorities in the PRC. They were mainly non-recurring in nature, and the amounts of these grants and treatments were subject to the discretion of local governments. Failure to obtain such government grants and preferential tax treatment in the future may adversely affect our financial condition and results of operations.

We had net current liabilities in the past, which may expose us to liquidity risk.

We had net current liabilities of RMB7,139.9 million and RMB7,835.2 million as of December 31, 2023 and 2024, respectively, and net current assets of RMB1,816.2 million as of December 31, 2025. Our net current liability positions in 2023 and 2024 were primarily attributable to substantial current liabilities, including, in particular, contract liabilities, accruals and other payables, trade payables and borrowings, which constituted a substantial portion of our current liabilities during the relevant years. Such positions may expose us to the risk of shortfalls in liquidity, in which case our ability to raise funds, obtain bank loans and declare and pay dividends will be materially and adversely affected. There is no assurance that we will not experience net current liabilities in the future. Any difficulty or failure to meet our liquidity needs may have a material adverse effect on our business, financial condition and results of operations.

Failure to fulfill our obligations in respect of contract liabilities could materially and adversely affect our results of operations, liquidity and financial position.

Our contract liabilities primarily consisted of advance payments (excluding output VAT) received from customers while the underlying goods and/or services are yet to be provided. As of December 31, 2023, 2024 and 2025, we had contract liabilities of RMB4,439.9 million, RMB5,933.0 million and RMB12,169.3 million, respectively. If we are not able to fulfill our obligations with respect to our contract liabilities, the amount of such contract liabilities would not be recognized as revenue. As a result, our results of operations, liquidity and financial position may be materially and adversely affected.

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Our future strategic acquisitions or investments, if any, may not be successful, and we may not realize anticipated strategic benefits and financial returns from such transactions.

We may evaluate various strategic acquisitions or investments. Any such acquisition or investments, whether completed or in-process, face risks, including (i) increased operating expenses and cash requirements; (ii) potential additional indebtedness or contingent or unforeseen liabilities; (iii) integration of operations, intellectual property and products of an acquired brand, including difficulties associated with integrating new personnel; (iv) the diversion of our management’s attention; (v) failure to integrate acquisition target due to non-compliance risk; (vi) uncertainties associated with counterparty such as regulatory approval and (vii) our inability to generate sufficient revenue from acquired brands. In addition, if we undertake acquisitions, we may issue dilutive securities, assume or incur debt obligations, incur large one-time expenses and acquire intangible assets that could result in significant future amortization expenses.

We are subject to credit risk in collecting trade and notes receivables due from customers.

As an international trade comprehensive services provider centered on the operation of Yiwu China Commodities City, we serve a large and diverse customer base across multiple business segments, including market operation services, trade services and commodity sales. Some of our customers may have varying credit profiles and payment practices. As of December 31, 2023, 2024 and 2025, our trade and notes receivables amounted to RMB592.9 million, RMB497.3 million and RMB437.8 million, respectively. Our trade and notes receivables turnover days were 13.2 days, 13.2 days and 9.1 days in 2023, 2024 and 2025, respectively. There is no assurance that all amounts due to us can be settled on time, or at all, and we are subject to credit risk in collecting trade and notes receivables due from customers. In particular, to support our business expansion and customer relationships, we may from time to time provide credit terms to certain customers and impose credit limits on them, which may increase our exposure to credit risk. In addition, changes in the macroeconomic environment, global trade conditions, industry cycles or the financial condition of our customers may affect their ability to settle outstanding receivables. Our performance, liquidity and profitability may be adversely affected if amounts due to us are not settled on time or at all. The bankruptcy or deterioration of the credit condition of any of our major customers could also materially and adversely affect our business.

We are exposed to fair value changes in our other financial assets at fair value through profit or loss (“FVPL”).

Our other financial assets at FVPL during the Track Record Period mainly consisted of unlisted equity shares, private equity fund investments, wealth management products and listed equity shares at FVPL. As of December 31, 2023, 2024 and 2025, we had other financial assets at FVPL of RMB1,436.7 million, RMB1,882.2 million and RMB3,689.3 million, respectively. The fair values of our other financial assets at FVPL have been estimated using the fair value hierarchy as defined in IFRS 13, Fair Value Measurement. Factors beyond our control, including but not limited to, general economic conditions, changes in market interest rates and stability of the capital markets, can influence and cause adverse changes to the estimates we use, and thereby affect the fair value. If there is a decrease in the fair value of our other financial assets at FVPL, our results of operations and financial condition may be adversely affected.

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Force majeure events, natural disasters, epidemics, acts of war or terrorism or other factors beyond our control may materially and adversely affect our business, financial condition and results of operations.

Uncertainties including natural disasters, severe weather conditions, epidemics, acts of war, terrorism, civil unrest or other force majeure events, could materially and adversely affect our business, financial condition and results of operations. Such events may disrupt our operations, including offline and online selling and promotion, product delivery, supply chain management, human resource management and customer services. These disruptions may lead to delays in product delivery, temporary suspension of operations at our marketplace and facilities or those of our suppliers, shortages of critical components, increased operating costs and reduced efficiency in coordinating with our partners and customers. In addition, epidemics or widespread health crises, such as COVID-19, SARS, Ebola or Zika, could limit the availability of our workforce, restrict travel and access to our facilities or technology infrastructure, and affect the ability of our customers and suppliers to perform their obligations. Similarly, geopolitical tensions, acts of war or terrorism could interrupt global supply chains, impede cross-border shipments, or create uncertainty in the markets we serve. Any of these events could not only delay the execution of our business plans but also adversely impact our business and financial performance.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

Changes in the economic, political or social conditions or government policies in the regions where we operate may adversely affect our business, financial condition and results of operation.

Our business, financial condition and results of operations are inherently influenced by the broader macroeconomic, geopolitical and regulatory landscapes of the jurisdictions where we operate. Adverse shifts in these environments could materially and adversely affect our performance and long-term outlook. Many governments continue to adopt or adjust policies relating to trade and commodity circulation.

Governments in the jurisdictions where we operate have implemented, and may continue to introduce, among others, various policies and measures to encourage economic growth and guide the allocation of resources, including industrial upgrading, technology development, foreign investment, cross-border trade and resource distribution, and such measures may introduce uncertainties to our operating environment. Our business is also exposed to fluctuations in global and local economic cycles, monetary and fiscal policies, inflationary pressures, interest rate changes, labor market conditions, consumer sentiment and other macroeconomic forces. Heightened geopolitical tensions, evolving trade policies, export control measures and sanctions regimes may also reshape supply chains and disrupt cross-border business activities. We cannot guarantee that we will be free from risks related to current economic, political or social conditions and many of these risks are beyond our control. All these risks may materially and adversely affect our business, financial condition and result of operation.

Our business is subject to extensive and evolving regulatory requirements, and any failure to comply with evolving laws, regulations or licensing requirements may adversely affect our business.

Our business, including market operation, payment, credit reporting and factoring services, hospitality services and ancillary facility development and sale, is highly regulated. See “Regulatory Overview.” New laws, regulations or regulatory requirements may be promulgated, and existing laws and regulations may be amended or clarified. We may be required to obtain additional approvals, licenses or filings, adjust our business practices, enhance compliance systems, incur additional compliance costs or suspend or modify certain business activities in order to remain compliant. Any

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failure to comply with applicable laws, regulations or licensing requirements, or any failure to timely obtain, maintain or renew requisite approvals, permits or licenses, may result in warnings, rectification orders, administrative penalties, fines or revocation of licenses or permits. In addition, we may be required to allocate significant management time and resources to regulatory compliance and remediation efforts, which could increase our operating costs and adversely affect our operating efficiency.

Certain of our PRC subsidiaries engage in business activities that may be considered to fall within sectors subject to restrictions or prohibitions on foreign investment under the Negative List. See “Regulatory Overview — Regulation Related to Internet Cultural Business and Radio and Television Program Production and Operation.” Under applicable PRC laws and regulations, domestic enterprises engaging in such prohibited or restricted activities are required to obtain approval from the relevant competent authorities before offering shares and listing overseas, and foreign investors may be subject to limitations on participation in management and shareholding ratios. If we are unable to obtain the requisite approval prior to the Listing, we may need to adjust our business scope or structure or suspend certain business operations, which may adversely affect our business, financial condition and results of operations.

Foreign exchange regulations may limit our business and results of operations.

Currently, the conversion of Renminbi into foreign currency needs to comply with the relevant laws and regulations, and exchange and remittance of foreign currencies are subject to relevant foreign exchange regulations. It cannot be guaranteed that, under a certain exchange rate, we will have sufficient foreign currency to meet our demand for foreign currency. Under the current PRC foreign exchange regulatory system, foreign exchange transactions under the current account conducted by us do not require advance approval from the SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at financial institutions within the PRC that have the license to carry out foreign exchange business. Foreign exchange transactions under the capital account conducted by us, however, must be approved in advance by the SAFE or its local branch. If we fail to obtain approval from the SAFE to exchange the Renminbi into any foreign currencies for any purposes, our capital expenditure plans, businesses, results of operations and financial condition may be adversely affected. The PRC government may also at its discretion restrict access to foreign currencies for current account transactions under certain circumstances in the future. If there are changes in the policies regarding the payment of dividends in foreign currencies or other changes in foreign exchange policies resulting in insufficient foreign exchange, we may not be able to pay dividends in foreign currencies to the holders of the H Shares and even our business may be materially and adversely affected.

You may have limited recourse in effecting service of legal process or enforcing foreign judgments against us, our Directors and our senior management.

We are a company incorporated under the PRC laws and substantially all of our assets are located in the PRC. Substantially all of our Directors and senior management reside within the PRC. The assets of these Directors and senior management also may be located within the PRC. The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts of most other jurisdictions. As a result, recognition and enforcement in the PRC of judgments of a court in any of these jurisdictions outside the PRC may be difficult. In addition, [REDACTED] may also experience difficulties in seeking recognition and enforcing foreign judgments in the PRC if there is a lack of reciprocal recognition and enforcement of judicial rulings and awards of other jurisdictions. Furthermore, although we will be subject to the Listing Rules and the Takeovers Code upon the [REDACTED] of our Shares on the Stock Exchange, the holders of Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce

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its rules. Moreover, the Takeovers Code does not have the force of law and provides only standards of commercial conduct considered acceptable for takeover and merger transactions and share repurchases in Hong Kong.

We are a PRC enterprise subject to PRC tax on our global income. Any gains on the sales of our H Shares by [REDACTED] and dividends paid to [REDACTED] on our H Shares may be subject to PRC tax.

Under the PRC EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between PRC and a non-PRC investor's jurisdiction of residence that provides for a different income tax arrangement, Chinese mainland withholding tax at the rate of 10% is normally applicable to dividends from Chinese mainland sources payable to investors that are non-Chinese mainland resident enterprises, which do not have an establishment or place of business in Chinese mainland, or which have an establishment or place of business in Chinese mainland if the relevant income is not effectively connected with such establishment or place of business. Any gains realized on the transfer of shares by such investors are subject to a 10% Chinese mainland income tax rate if such gains are regarded as income from sources within Chinese mainland unless a treaty or similar arrangement provides otherwise.

Under the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》) and its implementation rules, dividends from sources within Chinese mainland paid to foreign individual investors who are not Chinese mainland residents are generally subject to a Chinese mainland withholding tax at a rate of 20% and gains from Chinese mainland sources realized by such investors on the transfer of shares are generally subject to a 20% Chinese mainland income tax rate, in each case, subject to any reduction or exemption set forth in applicable tax treaties and laws in Chinese mainland. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) (Guo Shui Han [2011] No. 348) (國稅函[2011]348號) dated June 28, 2011, issued by the SAT, dividends paid to non-Chinese mainland resident individual holders of H Shares are generally subject to individual income tax of Chinese mainland at the withholding tax rate of 10%, in which the non-Chinese mainland resident individual holder of H Shares resides as well as the tax arrangement between Chinese mainland and Hong Kong. Non-Chinese mainland resident individual holders who reside in jurisdictions that have not entered into tax treaties with Chinese mainland are subject to a 20% withholding tax on dividends received from us. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the MOF of Chinese mainland and the SAT on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. In addition, on December 31, 2009, the MOF, the SAT and the CSRC jointly issued the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) (Cai Shui [2009] No. 167) which states that individuals' income from the transfer of listed shares on certain domestic exchanges shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restrictions as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of the Listed Shares Subject to Sales Limitations (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) (Cai Shui [2010] No. 70). As of the Latest Practicable Date, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the sale of shares of Chinese mainland resident enterprises listed on overseas stock exchanges.

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If PRC income tax is imposed on gains realized from the transfer of our H Shares or on dividends paid to our non-PRC resident [REDACTED], the value of your [REDACTED] [REDACTED] may be affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with PRC may not qualify for benefits under such tax treaties or arrangements.

Payment of dividends is subject to restrictions under the applicable PRC laws.

Our ability to pay dividends is subject to restrictions under applicable PRC laws and regulations, which permit dividend distributions only out of accumulated profits determined in accordance with PRC accounting standards and require PRC companies to set aside a portion of after-tax profits as statutory reserves that are not distributable as cash dividends. In addition, dividends may not be paid if a PRC company has accumulated losses, even if it is profitable in the current period. As a result of these restrictions, we may not be able to declare or pay dividends, or may be required to limit or delay dividend payments, even if our business generates profits and cash flows, which may adversely affect [REDACTED]’ returns.

RISKS RELATING TO THE [REDACTED]

We will be concurrently subject to [REDACTED] and regulatory requirements of PRC and Hong Kong.

We are currently listed on the Shanghai Stock Exchange. Upon completion of the [REDACTED], we will be required to comply with the listing rules and other regulatory regimes of both jurisdictions, unless we obtain an exemption or a waiver. Accordingly, we may incur additional costs and resources in complying with both sets of [REDACTED] in PRC and Hong Kong.

The characteristics of the A Share and H Share markets may differ.

Our A Shares are listed and traded on the Shanghai Stock Exchange. Following the [REDACTED], our A Shares will continue to be traded on the Shanghai Stock Exchange and our H Shares will be [REDACTED] on the Stock Exchange. Under current PRC laws and regulations, without approval from the relevant regulatory authorities, our H Shares and A Shares are neither interchangeable nor fungible and there is no [REDACTED] between the H Share and A Share markets. The H Share and A Share markets have different [REDACTED] characteristics with divergent [REDACTED] volumes, liquidity and [REDACTED] bases, as well as different levels of retail and institutional [REDACTED] participation. As a result, the [REDACTED] performance of our H Shares and A Shares may not be comparable. Nonetheless, fluctuations in the price of our A Shares may adversely affect the [REDACTED] our H Shares and vice versa. Due to the different characteristics of the H Share and A Share markets, the historical prices of our A Shares may not be indicative of the performance of our H Shares. You should therefore not place undue reliance on the trading history of our A Shares when evaluating your [REDACTED] decision regarding our H Shares.

There has been no prior public market for our H Shares, and an active [REDACTED] for our H Shares may not develop or be sustained.

No public market currently exists for our H Shares. The initial [REDACTED] for our H Shares to the public will be the result of our negotiations with the [REDACTED] (for itself and on behalf of the [REDACTED]) and the [REDACTED] may differ significantly from the [REDACTED] of the H Shares following the [REDACTED]. We have applied to the Stock Exchange for [REDACTED] of, and permission to [REDACTED], our [REDACTED]. A [REDACTED] on the Stock Exchange, however, does not guarantee that an active and liquid [REDACTED] market for our H Shares will develop, or if it does develop, that it will be sustained following the [REDACTED], or that the [REDACTED] of the H Shares will not decline following the [REDACTED].

RISK FACTORS

You should not rely on any information released by us in connection with the listing of our A Shares on the Shanghai Stock Exchange.

As our A Shares are listed on the Shanghai Stock Exchange, we have been subject to periodic reporting and other information disclosure requirements in Chinese mainland. As a result, from time to time, we publicly release information relating to us on the Shanghai Stock Exchange or other media outlets designated by the CSRC. However, the information announced by us in connection with our A Shares listing is based on the regulatory requirements of the securities authorities, industry standards and market practices Chinese mainland, which are different from those applicable to the [REDACTED]. The presentation of financial and operational information for the Track Record Period disclosed on the Shanghai Stock Exchange or other media outlets may not be directly comparable to the financial and operational information contained in this Document. As a result, prospective [REDACTED] in our H Shares should be reminded that, in making their [REDACTED] decisions as to whether to [REDACTED] our H Shares, they should rely only on the financial, operating and other information included in this Document. By applying to [REDACTED] our H Shares in the [REDACTED], you will be deemed to have agreed that you will not rely on any information other than that contained in this Document and any formal announcements made by us in Hong Kong with respect to the [REDACTED].

Our Controlling Shareholders’ interests may not be aligned with the interests of other shareholders.

Immediately following completion of the [REDACTED] and assuming the [REDACTED] is not exercised, our Controlling Shareholders will hold over [REDACTED]% of the issued share capital of our Company. This concentration of ownership may discourage, delay or prevent a change in control of our Company, which could deprive other Shareholders of an opportunity to receive a premium for their Shares in the course of a sale of our Company and might reduce the [REDACTED] our H Shares. The aforementioned potential events may occur even if they are opposed by our other Shareholders. In addition, the interests of our Controlling Shareholders may differ from the interests of our other Shareholders. It is possible that our Controlling Shareholders may exercise their substantial influence over us and cause us to enter into transactions or take, or fail to take, actions or make decisions that conflict with the best interests of our other Shareholders.

The liquidity, [REDACTED] volume and [REDACTED] of our H Shares following the [REDACTED] may be volatile, which could result in substantial losses to [REDACTED].

The [REDACTED] volume of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions for securities in Hong Kong and elsewhere in the world. The Hong Kong Stock Exchange and other securities markets have, from time to time, experienced significant [REDACTED] volume volatility that are not related to the operating performance of any particular company. The business and performance and the [REDACTED] of the shares of other companies engaging in similar business may also affect the [REDACTED] volume of our Shares. In addition to market and industry factors, [REDACTED] volume of our Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, [REDACTED], expenditures, regulatory developments, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, the shares of other companies listed on the Hong Kong Stock Exchange have experienced price volatility in the past, and the [REDACTED] our H Shares may change that is not directly related to our performance.

RISK FACTORS

You may experience further dilution in the future.

The [REDACTED] of the [REDACTED] is higher than the net tangible asset value per H Share immediately prior to the [REDACTED]. Therefore, purchasers of the [REDACTED] in the [REDACTED] will experience an immediate dilution in [REDACTED] consolidated net tangible asset value. There can be no assurance that if we were to immediately liquidate after the [REDACTED], any assets would be distributed to Shareholders after the creditors’ claims. To expand our business, we may consider [REDACTED] and issuing additional Shares in the future. Purchasers of the [REDACTED] may experience dilution in the net tangible asset value per Share of their H Shares if we issue additional Shares in the future at a price that is lower than the net tangible asset value per Share at that time.

We cannot guarantee that we will declare and distribute any amount of dividends in the future and you may rely on price appreciation of our Shares for a return on your [REDACTED].

We have declared dividends in the past. See “Financial Information — Dividends and Dividend Policy.” However, there is no assurance that dividends of any amount will be declared or distributed by us in any year in the future. Under the applicable laws and regulations of China, the payment of dividends may be subject to certain limitations. Moreover, the calculation of our profit under the China Accounting Standards for Business Enterprises (“**PRC GAAP**”) may differ in certain respects from the calculation under the International Financial Reporting Standards (“**IFRS Accounting Standards**”). As a result, even if we report a profit for the year under IFRS Accounting Standards, we may not have distributable profits as determined by PRC GAAP. Additionally, the declaration, payment and amount of any future dividends are subject to the discretion of our Directors after taking into account various factors, including but not limited to our results of operations, financial condition, cash flows, capital expenditure requirements, market conditions, our strategic plans and prospects for business development, regulatory restrictions on the payment of dividends and other factors as our Directors may deem relevant, and subject to the approval at a Shareholders’ meeting. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the applicable laws and regulations of China. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our historical dividends should not be taken as indicative of our dividend policy in the future.

Future sales or perceived sales of substantial amount of our Shares in the public market could materially and adversely affect the prevailing [REDACTED] of our Shares.

The [REDACTED] our H Shares could decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the public market, the issuance of [REDACTED] or other securities, or the perception that such sales or issuances may occur. Future sales, or anticipated sales, of substantial amounts of our securities, including any future [REDACTED], could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution of their holdings if we issue more securities in the future. [REDACTED] issued by us may also confer rights and privileges that take priority over those conferred by the H Shares.

RISK FACTORS

Since there will be a period of time between the [REDACTED] and the commencement of [REDACTED] of our H Shares, holders of our H Shares are subject to the risk that the [REDACTED] our H Shares could fall before [REDACTED] in our H Shares on the Hong Kong Stock Exchange commences.

The initial [REDACTED] of our H Shares [REDACTED] to the public in the [REDACTED] is expected to be determined on the [REDACTED]. However, [REDACTED] in our H Shares on the Stock Exchange will not commence until the H Shares are delivered, which is expected to be two Business Days after the [REDACTED]. As a result, [REDACTED] may not be able to sell or otherwise dispose of their H Shares during this period. Accordingly, holders of our H Shares are subject to the risk that the [REDACTED] of our H Shares when [REDACTED] commence on the Stock Exchange could be lower than the [REDACTED] as a result of adverse market conditions or other adverse developments that may occur between the time when the [REDACTED] is determined and the time when [REDACTED] in our H Shares begin.

Forward-looking information in this Document is subject to risks and uncertainties.

This Document contains certain statements and information that are forward-looking and uses forward-looking terminology such as “believe,” “expect,” “estimate,” “predict,” “aim,” “intend,” “will,” “may,” “plan,” “consider,” “anticipate,” “seek,” “should,” “could,” “would,” “continue,” and other similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this Document should not be regarded as representations or warranties by us that our plans and objectives will be achieved and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this Document, whether as a result of new information, future events or otherwise.

There can be no assurance of the accuracy or completeness of certain facts, forecasts and other statistics obtained from government publications contained in this Document.

Certain facts, forecast and statistics contained in this Document relating to China, the PRC economy and the industry in which we operate have been derived from various official government publications. We have taken reasonable care in the reproduction or extraction of the official government publications for the purpose of disclosure in this Document. However, the information from the official government sources were not prepared or independently verified by us, the Joint Sponsors, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED] or any of their respective affiliates or advisors, and, therefore, we make no representation as to the accuracy of such facts, forecast and statistics, which may not be consistent with other information compiled within or outside the PRC. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, such statistics in this Document may be inaccurate or may not be comparable to statistics produced with respect to other economies. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as the case may be in other jurisdictions. In all cases, [REDACTED] should give consideration as to how much weight or importance they should attach to or place on such facts, forecast and statistics.

RISK FACTORS

You should read the entire Document carefully and only rely on the information included in this Document to make your [REDACTED] decision, and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us, our H Shares or the [REDACTED].

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the [REDACTED]. Prior to the publication of this Document, there has been press and media coverage regarding us and the [REDACTED]. Such press and media coverage may include references to certain information that does not appear in this Document, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this Document, we disclaim responsibility for it, and you should not rely on such information.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the [REDACTED], we have sought the following waivers from strict compliance with certain provisions of the Listing Rules.

WAIVER IN RELATION TO MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, our Company must have a sufficient management presence in Hong Kong, which normally means that at least two executive directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 may be waived by having regard to, among other considerations, the applicant’s arrangements for maintaining regular communication with the Stock Exchange.

Given that (i) our headquarters is based in the PRC; (ii) a substantial portion of the business operations of our Group is managed and conducted outside Hong Kong; and (iii) our executive Directors and senior management principally reside in the PRC where our Group is headquartered, we do not have, and do not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the sole purpose of satisfying the requirement under Rule 8.12 of the Listing Rules.

Therefore, pursuant to Rule 19A.15 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules subject to the following conditions:

- (a) we have appointed Mr. XU Hang (許杭) and Dr. WONG Keith Shing Cheung (王承鐸) as our authorized representatives (the “**Authorized Representatives**”) pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Stock Exchange. The Authorized Representatives will be readily contactable by phone, facsimile and email to deal promptly with enquiries from the Stock Exchange, and will also be available to meet with the Stock Exchange to discuss any matters within a reasonable period of time upon request of the Stock Exchange;
- (b) to facilitate communication with the Stock Exchange, we have provided the Authorized Representatives and the Stock Exchange with the contact details of our Directors (i.e. mobile phone number, office phone number and email address (as applicable)). In the event that any of our Director expects to travel or otherwise be out of office, he or she will provide the phone number of the place of his/her accommodation to the Authorized Representatives, so that the Authorized Representatives would be able to contact all our Directors (including the independent non-executive Directors) promptly at all times if and when the Stock Exchange wishes to contact our Directors. To the best of our knowledge and information, each Director who is not ordinarily resident in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period after requested by the Stock Exchange; and
- (c) we have appointed Maxa Capital Limited as our compliance advisor (the “**Compliance Advisor**”) in compliance with Rules 3A.19 of the Listing Rules. The Compliance Advisor will, among other things and in addition to the Authorized Representatives, provide us with professional advice on continuing obligations under the Listing Rules and act as additional channel of communication of our Company with the Stock Exchange during the period from the [REDACTED] to the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year immediately after the [REDACTED]. The Compliance Advisor will be available to answer enquiries from the Stock Exchange and will act as an additional channel of communication with the Stock Exchange when the Authorized Representatives are not available.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

WAIVER IN RELATION TO JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a member of The Hong Kong Chartered Governance Institute;
- (b) a solicitor or barrister (as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong)); and
- (c) a certified public accountant (as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong)).

In addition, Note 2 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers the following factors in assessing the “relevant experience” of the individual:

- (a) length of employment with the issuer and other issuers and the roles he/she played;
- (b) familiarity with the Listing Rules and other relevant laws and regulations including the Securities and Futures Ordinance, Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

We have appointed Mr. XU Hang (許杭) (“**Mr. Xu**”) as one of our joint company secretaries, who currently serves as our executive Director and Board secretary and has substantial experience in board and corporate management matters, presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Dr. WONG Keith Shing Cheung (王承鐸) (“**Dr. Wong**”), an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, who fully meets the requirements stipulated under Rule 3.28 and 8.17 of the Listing Rules to act as one of our joint company secretaries. Dr. Wong will assist Mr. Xu for an initial period of three years from the [REDACTED], enabling Mr. Xu to acquire the “relevant experience” under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules. See “Directors and Senior Management” in this Document for further biographical details of Mr. Xu and Dr. Wong. The following arrangements have been, or will be, put in place to assist Mr. Xu in acquiring the qualifications and experience as the company secretary of our Company required under Rule 3.28 of the Listing Rules:

- (a) Mr. Xu will attend relevant training courses, including briefings on the latest changes to the relevant applicable Hong Kong laws and regulations and the Listing Rules which will be organized by our Company’s Hong Kong legal advisors on an invitation basis and seminars organized by the Stock Exchange for [REDACTED] issuers from time to time.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

- (b) Both Mr. Xu and Dr. Wong have confirmed that each of them will attend a total of no less than 15 hours of training courses on the Listing Rules, corporate governance, information disclosure, investors relation as well as the functions and duties of the company secretary of a Hong Kong [REDACTED] issuer during each financial year as required under Rule 3.29 of the Listing Rules;
- (c) Dr. Wong will assist Mr. Xu to enable him to acquire the relevant experience (as required under Rule 3.28 of the Listing Rules) to discharge the duties and responsibilities as the company secretary of our Company.
- (d) Dr. Wong will communicate regularly with Mr. Xu on matters relating to corporate governance, the Listing Rules and any other laws and regulations which are relevant to our Company and its affairs. Dr. Wong will work closely with Mr. Xu to jointly discharge the duties and responsibilities as a company secretary, including organizing our Company’s Board meetings and Shareholders’ meetings.
- (e) Prior to the expiry of Mr. Xu’s initial term of appointment as the company secretary of our Company, we will re-evaluate his experience to determine if he has acquired the qualifications required under Rules 3.28 of the Listing Rules, and whether on-going assistance should be arranged so that Mr. Xu’s appointment as the company secretary of our Company continues to satisfy the requirements under Rules 3.28 and 8.17 of the Listing Rules.
- (f) The Company has appointed Maxa Capital Limited as its Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules which will act as the additional communication channel with the Stock Exchange (for a period commencing on the [REDACTED] and ending on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year immediately after the [REDACTED], or until the engagement is terminated, whichever is earlier) and provide professional guidance and advice to the Company (including Mr. Xu) as to the compliance with the Listing Rules and all other applicable laws and regulations.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with Rules 3.28 and 8.17 of the Listing Rules. Such waiver will be revoked immediately if and when (i) Mr. Xu is no longer assisted by a person with qualifications under Rules 3.28 and 8.17 of the Listing Rules, or (ii) if there are material breaches of the Listing Rules by our Company. Before the end of the three-year period, we shall demonstrate to the Stock Exchange’s satisfaction and seek its confirmation that Mr. Xu, having had the benefit of Dr. Wong’s assistance during the three-year period, has attained the relevant experience under Note 2 to Rule 3.28 of the Listing Rules and is capable of discharging the functions of company secretary so that a further waiver would not be necessary.

WAIVER IN RELATION TO NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We have entered into and are expected to continue with certain transactions after the [REDACTED] which will constitute non-exempt continuing connected transactions under Chapter 14A of Listing Rules. We have applied for, and the Stock Exchange [has granted] us, waivers from strict compliance with the announcement requirement under Chapter 14A of the Listing Rules in respect of the continuing connected transactions as disclosed in the section headed “Connected Transactions — Non-Exempt Continuing Connected Transactions Subject to Reporting, Annual Review and Announcement Requirements.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

[REDACTED]

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

For further information on our Directors, see “Directors and Senior Management” of this Document.

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. CHEN Dezhan (陳德占)	No. 279, Xiuhu West Road Beiyuan Subdistrict Yiwu, Zhejiang PRC	Chinese
Mr. BAO Hua (包華)	No. 21, Xianqian Street Choucheng Subdistrict Yiwu, Zhejiang PRC	Chinese
Mr. WANG Xiangrong (王向榮)	No. 16, Houlishan Village Fotang Town Yiwu, Zhejiang PRC	Chinese
Mr. XU Hang (許杭)	No. 2, Building 11 Jianshe No. 2 New Village Beiyuan Subdistrict Yiwu, Zhejiang PRC	Chinese
Non-executive Directors		
Mr. WU Xiubin (吳秀斌)	No. 4, Lane 1, Chezhan Road Choucheng Subdistrict Yiwu, Zhejiang PRC	Chinese
Ms. LIU Xiaojing (劉曉婧)	Room 2402, Unit 2 Building 3, Guanhe Jinting Binjiang District Hangzhou, Zhejiang PRC	Chinese
Independent non-executive Directors		
Mr. WONG Kennedy Ying-ho (黃英豪)	House A2, No. 14 Mount Gough Road The Peak Hong Kong	Chinese (Hong Kong)

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Name	Address	Nationality
Mr. HUANG Zhongwei (黃鍾偉)	Room 101, No. 9 Lane 101, Rende Road Yangpu District Shanghai PRC	Chinese
Mr. ZHANG Chenghong (張成洪)	Room 201, No. 2 Lane 250, Guonian Road Yangpu District Shanghai PRC	Chinese
Mr. LUO Jinming (羅金明)	Room 601, Unit 2, Building 21 Jinchang Wenhua Yuan, Gongshu District Hangzhou, Zhejiang PRC	Chinese

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors	HSBC Corporate Finance (Hong Kong) Limited 1 Queen's Road Central Hong Kong
	CITIC Securities (Hong Kong) Limited 18/F, One Pacific Place 88 Queensway Hong Kong

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Legal Advisors to the Company

As to Hong Kong and United States laws:

Clifford Chance

27/F, Jardine House
One Connaught Place
Central
Hong Kong

As to PRC law:

Grandall Law Firm (Hangzhou)

No. 2 & 15 Building
Block B, Baita Park
Laofuxing Street
Hangzhou, Zhejiang Province
PRC

As to data compliance:

Grandall Law Firm (Beijing)

9th Floor, Taikang Financial Building
No. 38 East Third Ring North Road
Chaoyang District
Beijing
PRC

As to international sanctions laws:

Hogan Lovells International LLP

11/F, One Pacific Place
88 Queensway
Hong Kong

Legal Advisors to the Joint Sponsors and [REDACTED]

As to Hong Kong and United States laws:

Latham & Watkins LLP

18th Floor, One Exchange Square
8 Connaught Place
Central
Hong Kong

As to PRC law:

King & Wood

18/F, East Tower, World Financial Center 1
Dongsanhuan Zhonglu
Chaoyang District
Beijing
PRC

Auditor and Reporting Accountant

Confucius International CPA Limited

Certified Public Accountants

Room 1501–08, 15/F, Tai Yau Building
181 Johnston Road
Wanchai
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Industry Consultant

China Insights Industry Consultancy Limited

10/F, Block B, Jing'an International Center
88 Puji Road
Jing'an District
Shanghai
PRC

Property Valuer

Cushman & Wakefield Limited

27/F One Island East
Taikoo Place
18 Westlands Road
Quarry Bay
Hong Kong

Compliance Advisor

Maxa Capital Limited

Unit 2602, 26/F, Golden Centre
188 Des Voeux Road Central
Hong Kong

[REDACTED]

[REDACTED]

CORPORATE INFORMATION

Registered Office	No. 567 Yinhai Road Futian Subdistrict Yiwu City Jinhua, Zhejiang Province PRC
Headquarters and Principal Place of Business in the PRC	No. 567 Yinhai Road Futian Subdistrict Yiwu City Jinhua, Zhejiang Province PRC
Principal Place of Business in Hong Kong	Room 1912, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Company’s Website	<u>www.cccgroup.com.cn</u> <i>(The information contained in this website does not form part of this Document)</i>
Joint Company Secretaries	Mr. XU Hang (許杭) No. 567 Yinhai Road Futian Subdistrict Yiwu City Jinhua, Zhejiang Province PRC Mr. WONG Keith Shing Cheung (王承鐔) <i>(Associate of The Hong Kong Chartered Governance Institute, Associate of The Chartered Governance Institute and Member of Hong Kong Institute of Certified Public Accountants)</i> Room 1912, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Authorized Representatives	Mr. XU Hang (許杭) No. 567 Yinhai Road Futian Subdistrict Yiwu City Jinhua, Zhejiang Province PRC Mr. WONG Keith Shing Cheung (王承鐔) Room 1912, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong

CORPORATE INFORMATION

Audit Committee

Mr. HUANG Zhongwei (黃鍾偉) (*Chairman*)
Mr. ZHANG Chenghong (張成洪)
Mr. WU Xiubin (吳秀斌)

Remuneration and Appraisal Committee

Mr. LUO Jinming (羅金明) (*Chairman*)
Mr. HUANG Zhongwei (黃鍾偉)
Mr. WANG Xiangrong (王向榮)

Nomination Committee

Mr. ZHANG Chenghong (張成洪) (*Chairman*)
Mr. LUO Jinming (羅金明)
Ms. LIU Xiaojing (劉曉婧)

Strategy and ESG Committee

Mr. CHEN Dezhan (陳德占) (*Chairman*)
Mr. BAO Hua (包華)
Mr. ZHANG Chenghong (張成洪)

[REDACTED]

[REDACTED]

Principal Bank

Industrial and Commercial Bank of China Limited
Yiwu Branch
No. 128 Huangyuan Road
Yiwu, Zhejiang
PRC

INDUSTRY OVERVIEW

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

OVERVIEW OF THE GLOBAL INTERNATIONAL TRADE INDUSTRY

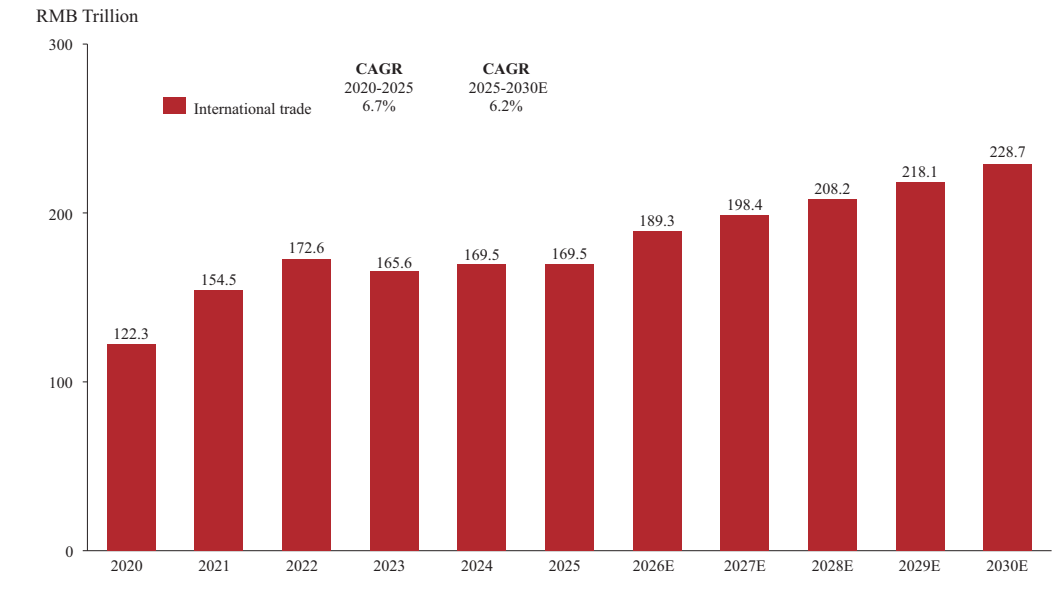
Market Overview

International trade refers to the exchange of goods, services, and factors of production among countries and regions. Under WTO and the Foreign Trade Law of the People’s Republic of China, international trade includes the import and export of goods or services. In 2025, international goods trade accounted for 71.0% of total international trade value globally, with services trade accounting for the remaining 29.0%. Unless otherwise indicated, “international trade” herein refers to international goods trade.

According to the classification standards referenced from the National Development and Reform Commission and the World Trade Organization, international trade can be analyzed from three perspectives: trade flow, customer type and trade model. On this basis, international trade may be categorized into exports and imports by trade flow; B2B trade and B2C trade by customer type; traditional trade, cross-border e-commerce and market procurement trade by trade model.

Despite the evolving international environment, international trade has remained resilient and is expected to continue growing steadily in the foreseeable future. By value, the global international trade market increased from RMB122.3 trillion in 2020 to RMB169.5 trillion in 2025, representing a CAGR of 6.7%, and is expected to further grow to RMB228.7 trillion by 2030, representing a CAGR of 6.2%.

Global International Trade Market Size, in Terms of Value, 2020–2030E



Source: World Trade Organization, China Insights Consultancy

INDUSTRY OVERVIEW

Drivers and Future Trends

The drivers and future trends of the global international trade industry are as follows:

- *Macroeconomic factors and consumer demand drive trade demand.* Economic growth is driving the cross-border movement of goods and services. The rapid expansion of the middle class in emerging markets has sustained demand momentum for international trade. Growth in gross domestic product (GDP), investment, and consumption remain key drivers of trade expansion, with demographic shifts and urbanization providing a stable market and solid demand foundation for cross-border trade.
- *The restructuring of global supply chains presents opportunities for cross-border trade.* Regional trade agreements, such as the Regional Comprehensive Economic Partnership (RCEP) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), foster economic cooperation and value chain integration. Tariff reductions and harmonized rules of origin lower costs and improve efficiency. In response to geopolitical risks, companies are shifting from “Just-In-Time” to “Just-In-Case” inventory strategies. This diversifies sourcing channels and helps build inventory buffers to reduce disruptions, driving a surge in demand for international trade services.
- *The large-scale commercialization of generative artificial intelligence (AI) is improving trade efficiency and global connectivity.* Technologies such as cloud computing and blockchain are transforming trade processes into data-driven workflows. Generative AI and LLMs support product selection, pricing, marketing, and multilingual services. This reduces information asymmetry and transaction costs, enabling small and medium-sized enterprises (SMEs) to participate efficiently in global trade and strengthening trade network connectivity.
- *Innovation in cross-border logistics and payment infrastructure is enhancing the global trade ecosystem.* Warehousing and logistics are shifting from standalone transportation to an integrated system covering fulfillment, financing, and data capabilities. Although cross-border payment remains costly, technologies such as central bank digital currencies (CBDCs) and blockchain reduce settlement time from days to minutes. Meanwhile, the integration of payment platforms with trade finance converts transaction data into credit assets, thereby prompting service providers to develop fintech capabilities.

OVERVIEW OF CHINA’S INTERNATIONAL TRADE INDUSTRY

Market Overview

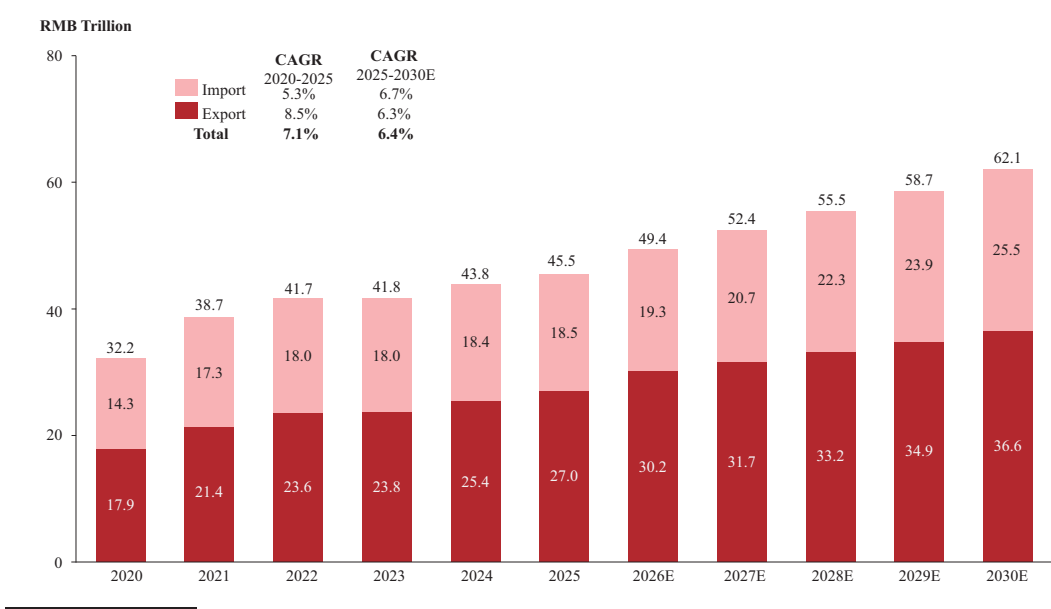
In 2025, goods trade accounted for 84.9% of China’s total international trade, with services trade accounting for the remaining 15.1%. Unless otherwise indicated, “China’s international trade” herein refers to China’s international goods trade. In terms of value, China’s international trade increased from RMB32.2 trillion in 2020 to RMB45.5 trillion in 2025, representing a CAGR of 7.1%, and is expected to further increase to RMB62.1 trillion by 2030, representing a CAGR of 6.4% from 2025 to 2030.

As a pillar of the global goods trading system, China accounts for approximately 30% of global manufacturing value added and has ranked first globally in manufacturing value added for 16 consecutive years. In 2025, China is the world’s largest exporter and second-largest importer. China’s goods exports reached RMB27.0 trillion, accounting for 15.9% of global goods exports, while its goods imports reached RMB18.5 trillion, accounting for 10.9% of global goods imports, highlighting its pivotal role in global trade flows. China’s international trade export value increased from RMB17.9

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trillion in 2020 to RMB27.0 trillion in 2025 and is projected to reach RMB36.6 trillion by 2030, while import value increased from RMB14.3 trillion in 2020 to RMB18.5 trillion in 2025 and is projected to reach RMB25.5 trillion by 2030.

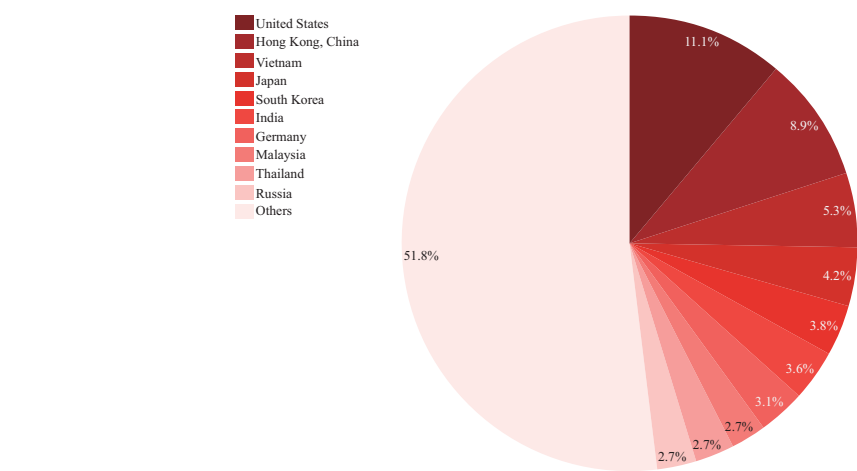
China’s International Trade Market Size by Trade Flow, in Terms of Value, 2020–2030E



Source: Bureau of Statistics of China, China Insights Consultancy

China’s goods export destinations are diversified, with relatively low dependence on any single country or region. In 2025, China’s goods exports were distributed across approximately 249 countries and regions, with no single export destination accounting for more than 15% of total exports. This diversified export structure helps mitigate risks arising from economic fluctuations, changes in trade policies and shifts in demand in any single country or region, thereby enhancing the stability and resilience of China’s foreign trade.

Share of Chinese mainland’s Top 10 Goods Export Destinations, %, 2025



Source: General Administration of Customs of China, China Insights Consultancy

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In addition, driven by business model innovation and supportive policy initiatives, China’s international trade market is undergoing continuous supply-side structural transformation, with traditional trade, cross-border e-commerce and market procurement trade developing in parallel and jointly shaping the market landscape.

By trade model, China’s international trade can be divided into cross-border e-commerce, market procurement trade and traditional trade. Cross-border e-commerce refers to international commercial activities in which sellers and buyers in different customs territories transact through online platforms, settle payments electronically and complete delivery through cross-border logistics. Market procurement trade is a China-specific trade model under which goods are procured in officially recognized market clusters and declared for export, and is particularly suited to exports characterized by a wide variety of products, small batches and high-frequency shipments. Traditional trade refers to all other forms of trade.

Cross-border e-commerce and market procurement trade are expected to play an increasingly important role in China’s international trade, with their combined market size increasing from RMB2.3 trillion in 2020 to RMB3.6 trillion in 2025 and projected to reach RMB5.8 trillion by 2030, while their combined share increased from 7.2% to 7.9% over the same period and is expected to further rise to 9.3% by 2030.

Drivers

The drivers of China’s international trade industry are as follows:

- *The expansion of the market procurement trade model is broadening the export channel for SMEs.* The model enables SMEs and individual merchants to participate in export activities without traditional trade qualifications, while providing a compliant channel for foreign exchange settlement and customs clearance. It integrates multi-category, small-batch exports into a standardized framework and supports trade processes across transactions, logistics, payments, and financing. Meanwhile, mechanisms such as consolidated shipment coordinators and credit-based supervision enhance trade efficiency and risk management.
- *Digital trade platforms and the integration of online and offline channels are improving transaction visibility and convenience.* Platforms are integrating functions such as online data collection, digital payments, and supply chain fulfillment, supporting online-offline operations and data-driven management. Leading marketplace platforms have established digital services ecosystem encompassing product display, online trading, cross-border payment, and smart logistics, providing SMEs with scalable and replicable operating solutions.
- *Policy support and the establishment of national pilot zones have strengthened the institutional framework for cross-border trade.* China has introduced pilot free trade zones, cross-border e-commerce pilot zones, and bonded zones to drive innovation in regulation, taxation, and customs clearance. These zones facilitate investment liberalization and support SME exports through streamlined customs. Meanwhile, comprehensive bonded zones integrate processing trade, logistics, and cross-border e-commerce, serving as trade hubs for industrial clustering.

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Future Trends

The future trends of China’s international trade industry are as follows:

- *Cooperation with the Global South is increasing regional trade shares in emerging markets.* The Global South includes emerging economies in Asia, Africa, Latin America, and the Middle East. China is strengthening trade ties with emerging economies, shifting China’s trade focus from Europe and America toward the Global South and expanding opportunities in emerging regions.
- *The development of comprehensive service capabilities and product standardization is enhancing enterprise competitiveness and driving the transition from “Made-in-China Going Global” to “Chinese Brands Going Global”.* Standardization in quality, labeling, and transaction processes reduces procurement costs and improves trust in cross-border trade. Improved product catalogues and comprehensive service systems facilitate supply-demand matching and global brand expansion into emerging markets.

OVERVIEW OF THE GLOBAL AND CHINA’S INTERNATIONAL TRADE COMPREHENSIVE SERVICES PLATFORM INDUSTRY

Market Overview

International trade comprehensive services platforms are B2B platforms that provide comprehensive trade-related services. They include purely online cross-border e-commerce platforms, physical market procurement trade platforms and integrated online and offline trade platforms. These platforms provide buyers and sellers with online or offline channels for product display and transactions, and may also offer related supporting services such as warehousing and logistics, financial services, exhibition services and hospitality services.

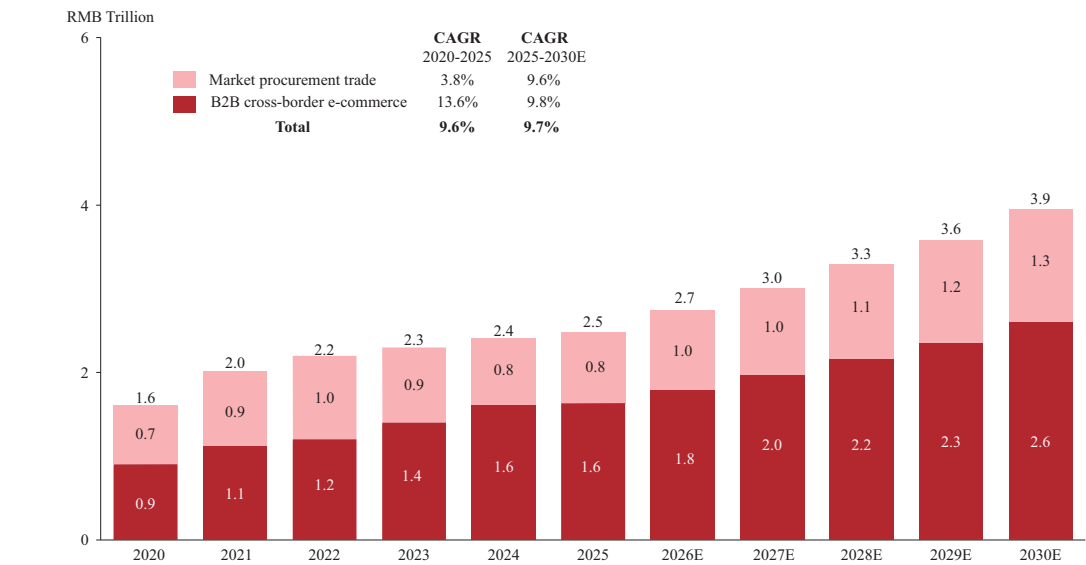
International trade has long been characterized by cumbersome processes and relatively low efficiency. Enterprises often need to repeatedly coordinate with different institutions across multiple stages, including booking, customs declaration, tax refunds and foreign exchange settlement, resulting in substantial time and labor costs. At the same time, traditional trade is often unable to fully meet global buyers’ demand for diversified, small-batch, high-frequency and cost-effective products, while fragmented supply chain data and a low level of digitalization give rise to information silos and coordination difficulties. In addition, supporting services such as finance, logistics and payments remain fragmented and have yet to form an integrated ecosystem. International trade comprehensive services platforms address these pain points by integrating product display and transaction functions, industrial clusters, supply chain resources and digital systems, enabling end-to-end data connectivity, standardizing and enhancing the transparency of business processes, and providing comprehensive services such as supply chain finance, cross-border payments, and logistics and warehousing based on real transaction data, thereby significantly improving efficiency, reducing costs and fostering a closed-loop ecosystem.

By GMV, the global international trade comprehensive services platform market increased from RMB3.3 trillion in 2020 to RMB7.1 trillion in 2025, representing a CAGR of 16.2%, and is expected to further increase to RMB12.4 trillion by 2030, representing a CAGR of 12.0% from 2025 to 2030. The penetration rate of international trade comprehensive services platforms in global international trade increased from 2.7% in 2020 to 4.2% in 2025 and is expected to further rise to 5.4% by 2030.

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By GMV, China’s international trade comprehensive services platform market increased from RMB1.6 trillion in 2020 to RMB2.5 trillion in 2025, representing a CAGR of 9.6%, and is expected to further increase to RMB3.9 trillion by 2030, representing a CAGR of 9.7% from 2025 to 2030. The penetration rate of international trade comprehensive services platforms in China’s international trade increased from 4.9% in 2020 to 5.5% in 2025 and is expected to further rise to 6.3% by 2030.

China’s International Trade Comprehensive Services Platform Market Size, GMV, 2020–2030E



Source: General Administration of Customs of China, China Insights Consultancy

Value Chain

International trade comprehensive services platforms serve as the core component of the international trade service value chain, facilitating supply-demand matching and resource allocation. By connecting buyers and suppliers, they reduce information asymmetry and enable accurate buyer-supplier matching. International trade comprehensive services platforms offer a range of related services, including market operation, trade services, commodity sales, and ancillary services, thereby constructing an integrated trade service ecosystem.

Drivers

- The drivers of the international trade comprehensive services platform industry are as follows:
- *Small-batch, high-frequency commodity trade is driving demand for specialized and centralized trade solutions.* Cross-border e-commerce and market procurement trade have led to more fragmented orders and shorter fulfillment cycles. China’s trade participants have expanded from large enterprises to SMEs, increasing complexity in customs, foreign exchange, and tax compliance. International trade comprehensive services platforms address these needs through one-stop solutions across customs, logistics, and finance, enabling standardized operations and cost sharing.
 - *The customer base is diversifying from existing trade entities to a broader range of industry participants, expanding service frontiers.* The international trade service industry has expanded from serving merchants, buyers, and freight forwarders to overseas distributors, entrepreneurs, and e-commerce sellers. Digital onboarding systems enable platforms to

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support SMEs at scale and strengthen linkages between manufacturers and distributors. This transforms a linear trade chain into a multi-tier network by connecting direct customers, sub-distributors, and end-users.

- *Diversified service scenarios create synergies, shifting monetization from rent-based models to diverse revenue streams.* International trade comprehensive services platforms are evolving from basic transactions to full-chain service that include commodity sales, exhibitions for business investment, supply chain logistics, cross-border payments and supporting services. This enables the platform to capture value across multiple stages of the trade life cycle and monetize beyond single transaction fees, such as memberships, service charges, and payment processing revenues, thereby improving financial resilience and long-term sustainability.
- *Policy support continues to drive industry evolution.* The international trade service platform industry is shifting from a fragmented outsourced model to an integrated platform model, with comprehensive service capabilities becoming a key infrastructure. The Ministry of Commerce’s Guiding Opinions on Improving the Overseas Service System call for integrated overseas platforms to support end-to-end business expansion. Meanwhile, the State Council’s Opinions on Promoting High-Quality Development of Trade in Services emphasize regulatory improvement and standardization for cross-border services, accelerating the industry’s transition from fragmented services to standardized and platform-based systems.

Future Trends

The future trends in the international trade comprehensive services platform industry are as follows:

- *Digital technologies drive AI-powered marketplace and customer engagement.* The AI-powered marketplace integrates a physical wholesale marketplace with a digital trade port, enabling AI-driven recommendations that capture purchasing intent across high-growth segments. The digital trade port delivers cloud-based infrastructure, application programming interfaces (APIs), digital exhibitions, and real-time data processing. As a result, this marketplace enables SMEs to access global customers efficiently.
- *The upgrading of logistics, overseas warehousing, and payment services enhances end-to-end fulfillment capabilities.* The platform builds a digitalized supply chain, forming an integrated logistics network that includes vendor-managed inventory (VMI), international special line transportation, and overseas last-mile delivery. Improved cross-border payment services offer secure support for capital flows, while multi-currency payment channels reduce foreign exchange costs, enabling more efficient overseas settlement.
- *Global expansion drives the development of regional trade hubs, with extensive coverage across multiple markets.* International trade comprehensive services platforms are evolving into a global trade hub through the expansion of trade networks into emerging markets such as the Middle East, South America, and Africa, while promoting the development of overseas markets, warehouses and showrooms. These initiatives expand sales channels and support local merchants in building globally recognized brands.

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Industry Challenges

While the international trade comprehensive services platform industry is developing rapidly, it still faces challenges. The challenges are as follows:

- *Political and macroeconomic uncertainties are increasing trade risks.* Global trade is expected to remain volatile, with weak macroeconomic growth dampening trade demand. Frequent changes in U.S. tariff policies shift enterprises’ resources toward policy adjustments rather than production expansion. Geopolitical tensions, regional conflicts, and shipping security risks continue to disrupt trade flows. Supply chain risk premiums and tighter export controls add to supply chain uncertainties. Additionally, rising external debt in developing economies weakens import capacity, thereby slowing trade recovery.
- *The relocation of industrial supply chains poses challenges to certain segments of China’s manufacturing sector.* Driven by geopolitical and cost pressures, global supply chains are restructuring regionally. Developed markets are diversifying supply chains by relocating manufacturing and procurement to emerging economies such as Southeast Asia, adopting a “China +1” strategy to reduce reliance on a single sourcing base. As a result, orders in traditional processing and outsourcing segments are shifted to other regions, affecting low-to-mid-value manufacturing exports from China and demand for supporting services.

COMPETITIVE LANDSCAPE OF THE GLOBAL AND CHINA’S INTERNATIONAL TRADE COMPREHENSIVE SERVICES PLATFORM INDUSTRY

Competitive Landscape

Measured by GMV in 2025, the top five players in the global and China’s international trade comprehensive services platform industry accounted for a combined market share (CR5) of approximately 12.2% and 29.7%, respectively. The Company ranked first globally and in China, with market shares of approximately 4.6% and 13.0%, respectively.

Meanwhile, measured by the total number of merchants in 2025, the Company also operates the largest small commodities wholesale marketplace in the world and in China.

Ranking and Market Share of the Global International Trade Comprehensive Service Platform Industry, by GMV, 2025

Rank	Company Name	GMV, RMB billion	Market Share, %
1	The Company	322.4	4.6%
2	Company A	250.0	3.5%
3	Company B	130.0	1.8%
4	Company C	85.0	1.2%
5	Company D	77.6	1.1%

Source: China Insights Consultancy

Notes:

- (1) The Company’s GMV is based on its sampled GMV in 2025 of RMB322.4 billion disclosed by the Yiwu Municipal Bureau of Statistics.

INDUSTRY OVERVIEW

- (2) International trade comprehensive services platforms are B2B platforms that provide comprehensive trade-related services. For all comparable companies presented, GMV only includes B2B cross-border e-commerce and market procurement trade businesses within this definition.

Company A is a Nasdaq-listed company founded in 1994. Headquartered in Seattle, USA, it primarily operates a global e-commerce marketplace and provides retail, third-party seller, logistics, cloud computing, and related services.

Company B is an NYSE- and HKEX-listed company founded in 1999. Headquartered in Hangzhou, China, it primarily provides e-commerce, cloud computing, logistics, and other digital commerce services.

Company C is a non-listed company founded in 2004. Headquartered in Beijing, China, it primarily provides cross-border B2B e-commerce platform services.

Company D is a non-listed company founded in 2011. Headquartered in Linyi, Shandong, China, it primarily provides market development and operation, supply chain services, international trade, financial services, e-commerce, and property management services.

Ranking and Market Share of China’s International Trade Comprehensive Service Platform Industry, by GMV, 2025

Rank	Company Name	GMV, RMB billion	Market Share, %
1	The Company	322.4	13.0%
2	Company B	130.0	5.2%
3	Company A	125.0	5.0%
4	Company C	85.0	3.4%
5	Company D	77.6	3.1%

Source: China Insights Consultancy

Notes:

- (1) The Company’s GMV is based on its sampled GMV in 2025 of RMB322.4 billion disclosed by the Yiwu Municipal Bureau of Statistics.
- (2) International trade comprehensive services platforms are B2B platforms that provide comprehensive trade-related services. For all comparable companies presented, GMV only includes B2B cross-border e-commerce and market procurement trade businesses within this definition.

Entry Barriers and Key Success Factors

Entry barriers and key success factors in China’s international trade comprehensive services platform industry are as follows:

- *Structural entry barriers: economies of scale, network effects, capital intensity, and licensing or qualification mandates.* Platforms rely on economies of scale and network effects to achieve cost advantages in transaction fulfillment. Platforms need to aggregate a large base of merchants and user data to support order activity. Fulfillment infrastructure and integration with regulatory systems require substantial capital investment. Cross-border payment services are subject to regulatory approvals, including payment business licenses issued by the People’s Bank of China, increasing barriers to entry.

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- *Operational barriers: merchant retention, transaction frequency, fulfilment capability, IT system integration, and the capabilities associated with commodity sales.* Supported by supply chain integration, platforms sustain a stable trading ecosystem through merchant stickiness and high transaction frequency. Fulfillment across customs clearance, overseas warehousing, logistics and post-purchase support enhance efficiency, while a robust information technology (IT) system including order management, risk control, and API connectivity with regulatory systems ensures service reliability. Furthermore, performance in commodity sales depends on the ability to maintain stable sourcing channels, manage cost of goods purchased and inventory efficiently, and execute cross-border trade transactions across a diversified product range.
- *Institutional barriers: market procurement trade pilot program, policy support, tax reforms.* The market procurement trade model is a national pilot initiative designed to facilitate trade liberalization. It simplifies declaration procedures and provides tax incentives, supporting multi-category, small-batch exports within designated industry clusters and standardized procedures. Policies such as cross-border e-commerce pilot zones promote regulatory and tax reforms, thereby reinforcing institutional barriers by requiring platforms to align with evolving compliance requirements.

SOURCE OF THE INDUSTRY INFORMATION

We engaged CIC, an independent market research consultant, to analyze the global and China’s international trade comprehensive services platform industry and prepare a report for use in this Document at a fee of RMB450,000. CIC prepared the report based on data published by government agencies and non-governmental organizations, as well as its primary and secondary research. CIC utilized various resources for its primary and secondary research. Primary research involved conducting interviews with key industry experts and leading market participants. Secondary research involved analyzing data from multiple publicly available sources, including data from the National Bureau of Statistics of China and disclosures of listed companies.

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

REGULATORY OVERVIEW

Our business operations are located in the PRC and are subject to relevant laws, regulations, and government supervision. This section summarizes the principal laws, regulations, rules, and policies relevant to our business operation in the PRC.

LAWS AND REGULATIONS RELATED TO IMMOVABLE PROPERTY LEASING

According to the PRC Civil Code (《中華人民共和國民法典》) (the “Civil Code”), which was promulgated by the National People’s Congress on May 28, 2020 and implemented on January 1, 2021, an owner of immovable or movable property is entitled to possession, use, earnings, and disposal of such property in accordance with the law. The lease term shall not exceed twenty years; any portion exceeding twenty years shall be void. If the lease term exceeds six months, the lessor and lessee shall enter into a written lease contract. The failure of the lessor or lessee to complete the registration formalities for the lease contract in accordance with the law shall not affect the legal validity of the lease contract.

According to the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》), which was promulgated by the Standing Committee of the National People’s Congress (the “SCNPC”) on July 5, 1994, latest amended on August 26, 2019 and implemented on January 1, 2020, for house leasing, the lessor and lessee shall enter into a written lease contract, containing such provisions as the leasing term, usage, rental and repair liabilities, as well as other rights and obligations of both parties, and go through registration and filing procedures with the real estate administration department.

LAWS AND REGULATIONS RELATED TO CONSTRUCTION

(1) State-Owned Land Use Rights

Pursuant to (a) the Land Administration Law of the PRC (《中華人民共和國土地管理法》), which was promulgated by the SCNPC on June 25, 1986, latest amended on August 26, 2019 and implemented on January 1, 2020, (b) the Regulation on the Implementation of the Land Administration Law of the PRC (《中華人民共和國土地管理法實施條例》), which was promulgated by the State Council on January 4, 1991, latest amended on July 2, 2021 and implemented on September 1, 2021, and (c) the Interim Regulations of the PRC Concerning the Assignment and Transfer of the Right to Use State-owned Land in Urban Areas (《中華人民共和國城鎮國有土地使用權出讓和轉讓暫行條例》), which was promulgated by the State Council on May 19, 1990, latest amended on November 29, 2020 and implemented on the same date, except for the allocation of the State-owned land use right by the State within the scope prescribed by law, the State shall implement a system of the compensated use of State-owned land in accordance with law. The methods for compensated use of State-owned land mainly include the assignment of the right to the use of State-owned land, the lease of State-owned land, and the valuation of State-owned land use rights as capital contributions or shares. The assignment of the right to the use of land may be carried out by means of negotiation, public tender, or auction. For the assignment of the right to the use of land, an assignment contract shall be signed and the assignment fee shall be paid.

(2) Construction Land Planning Permit

Pursuant to the Urban and Rural Planning Law of the PRC (《中華人民共和國城鄉規劃法》), which was promulgated by the SCNPC on October 28, 2007, latest amended on April 23, 2019 and implemented on the same date, a Construction Land Planning Permit is required for the use of both allocated land and assigned land.

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(3) Construction Work Planning Permit

Pursuant to the Urban and Rural Planning Law of the PRC (《中華人民共和國城鄉規劃法》), to build any building, structure, road, pipeline or other engineering project within a city or town planning area, the relevant construction entity shall apply for a Construction Work Planning Permit from a competent urban and rural planning administrative department.

(4) Construction Work Permit

Pursuant to the Construction Law of the PRC (《中華人民共和國建築法》), which was promulgated by the SCNPC on November 1, 1997, latest amended on April 23, 2019 and implemented on the same date, prior to commencing construction, the construction entity shall apply for a Construction Work Permit from the competent construction administrative department of the local people’s government at or above the county level in accordance with national regulations, except for small-scale projects below the threshold set by the State Council’s construction administrative department. According to the Measures for the Administration of Construction Permits for Construction Projects (《建築工程施工許可管理辦法》), which was promulgated by the Ministry of Housing and Urban-Rural Development on October 15, 1999, latest amended on March 30, 2021 and implemented on the same date, no Construction Work Permit is required for construction projects with an investment amount of less than RMB300,000 or with a construction area of less than 300 square meters.

(5) Completion Acceptance of Construction Projects

Pursuant to the Regulations on the Administration of Construction Quality (《建設工程質量管理條例》), which was promulgated by the State Council on January 30, 2000, latest amended on April 23, 2019 and implemented on the same date, the construction entity shall organize the design unit, construction unit, construction supervision unit and other relevant units to carry out the completion acceptance after receiving the completion report of a construction project. Construction projects can only be put into use after passing the acceptance inspection. Within 15 days from the date of passing the completion acceptance inspection of a construction project, the construction entity shall report to the competent construction administrative department for filing.

LAWS AND REGULATIONS RELATED TO THE IMPORT AND EXPORT OF GOODS

According to the Customs Law of the PRC (《中華人民共和國海關法》), which was promulgated by the SCNPC on January 22, 1987, latest amended on April 29, 2021 and implemented on the same date, unless otherwise stipulated, the declaration of import and export goods and the payment of customs duties may be handled by the consignees or consignors of imported or exported goods or entrusted customs declaration enterprises. The consignee or the consignor of imported or exported goods and the customs declaration enterprise shall go through customs declaration and filing procedures at the relevant customs in accordance with the law. Goods permitted to be imported or exported, and articles entering or leaving the territory, shall be subject to customs duties levied by the customs in accordance with the law.

According to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》), which was promulgated by the SCNPC on May 12, 1994, latest amended on December 27, 2025 and implemented on March 1, 2026, and the Notice of the Department of Enterprise Administration and Inspection on Matters Related to the Record-filing of Consignors and Consignees of Import and Export Goods (《企業管理和稽查司關於進出口貨物收發貨人備案有關事宜的通知》), which was issued by the General Administration of Customs on January 3, 2023 and implemented on the same date, if consignors and consignees of import and export goods apply for record-filing, they shall obtain the market entity qualification and are not required to obtain the record-filing of foreign trade business operators.

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REGULATIONS RELATED TO HOTEL OPERATION

Pursuant to the Measures for the Control of Security in the Hotel Industry (《旅館業治安管理辦法》), which was promulgated by the State Council on November 10, 1987, latest amended on March 29, 2022 and implemented on May 1, 2022, anyone who applies to operate a hotel shall obtain a business license from the market regulatory department and apply for a special trade license from the local public security organs. In the event of closure, change of business, merger, relocation, or name change of a hotel, the hotel shall file with the local public security organs for record within 3 days after completing the registration of change at the market regulatory department.

Pursuant to the Administrative Regulations on Sanitation of Public Places (《公共場所衛生管理條例》), which was promulgated by the State Council on April 1, 1987, latest amended on December 6, 2024 and implemented on January 20, 2025, a hotel shall obtain a public area hygiene license from the local disease prevention and control authorities before commencing operations. Staff members of the hotel who may directly serve customers shall hold a valid health certificate before they engage in their duties.

REGULATIONS RELATED TO FOOD OPERATION

According to the Administrative Measures for Food Operation Licensing and Record-filing (《食品經營許可和備案管理辦法》), which was promulgated by the State Administration for Market Regulation on June 15, 2023 and implemented on December 1, 2023, a business engaged in food sales or catering services shall, based on the category of its operations, obtain a food operation permit or complete record-filing in accordance with the law. If a food operator engages in food operations across different areas, it shall separately obtain the permit or complete record-filing. The food operator shall display its food operation permit in a conspicuous position at the business premises.

LAWS AND REGULATIONS RELATED TO VALUE-ADDED TELECOMMUNICATIONS SERVICES

Pursuant to the Telecommunications Regulations of the PRC (《中華人民共和國電信條例》), which was promulgated by the State Council on September 25, 2000, latest amended on February 6, 2016 and implemented on the same date, telecommunication service providers are required to obtain an operating license before commencing operations. The Regulations categorize telecommunications services into basic telecommunications services and value-added telecommunications services. According to the Catalog of Telecommunications Services (2015 Edition) (《電信業務分類目錄(2015年版)》), promulgated by the Ministry of Industry and Information Technology (the “MIIT”) on December 28, 2015, latest amended on June 6, 2019 and implemented on the same date, the following services fall within value-added telecommunications services: Internet data center services, Internet access services, online data processing and transaction processing services, information services (Internet-based), and call center services.

Pursuant to the Measures for the Administration of Telecommunications Business Operating Permits (《電信業務經營許可管理辦法》), which was promulgated by the MIIT on March 1, 2009, latest amended on July 3, 2017 and implemented on September 1, 2017, operators of telecommunications business shall obtain an operating permit issued by the telecommunications regulatory authority and operate telecommunications services in compliance with the provisions of the operating permit. In addition, the operator shall display its operating permit code in prominent locations, including its principal place of business and its website homepage. The validity period of a value-added telecommunications service operating permit is five years.

REGULATORY OVERVIEW

Pursuant to the Measures for the Administration of Internet Information Services (《互聯網信息服務管理辦法》), which was promulgated by the State Council on September 25, 2000, latest amended on December 6, 2024 and implemented on January 20, 2025, operators of commercial internet information services shall obtain a value-added telecommunications service operating permit. The operator shall ensure that the information provided on its website is lawful and shall not produce, reproduce, publish, or disseminate any information prohibited by PRC laws or administrative regulations.

Pursuant to the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (《外商投資電信企業管理規定》), which was promulgated by the State Council on December 11, 2001, latest amended on March 29, 2022 and implemented on May 1, 2022, the proportion of foreign investment in a foreign-invested telecommunication enterprise engaged in value-added telecommunication services shall not ultimately exceed 50%, except as otherwise provided by the State.

REGULATIONS RELATED TO INTERNET CULTURAL BUSINESS AND RADIO AND TELEVISION PROGRAM PRODUCTION AND OPERATION

We provide a variety of trade services for our merchants, and the provisions of some of these trade services require us to hold a Network Cultural Business License and/or a Radio and Television Program Production and Operation License.

According to the Interim Provisions on the Administration of Internet Culture (《互聯網文化管理暫行規定》), which was issued by the former Ministry of Culture of the PRC (now known as the Ministry of Culture and Tourism of the PRC) on May 10, 2003, latest amended on December 15, 2017 and implemented on the same date, internet cultural products refer to cultural products produced, transmitted, and circulated through the internet. Commercial internet cultural activities refer to activities that provide internet cultural products and services by charging online users or obtaining benefits through e-commerce, advertising, sponsorship, or other means. Those engaged in commercial internet cultural activities shall obtain the Network Cultural Business License issued by the relevant cultural administrative departments, which is valid for three years.

According to the Provisions on the Administration of Radio and Television Program Production and Management (《廣播電視節目製作經營管理規定》), which was latest revised by the National Radio and Television Administration on June 3, 2025 and implemented on the same date, those engaged in the production of radio and television programs such as special topics, columns, variety shows, animations, radio dramas, and television dramas shall obtain the Radio and Television Program Production and Operation License issued by the relevant radio and television administrative departments, which is valid for two years.

According to the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 Edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》), which was latest revised by the National Development and Reform Commission (“NDRC”) and the Ministry of Commerce of the PRC (the “MOC”) on September 6, 2024, and implemented on November 1, 2024, domestic enterprises engaged in businesses within the prohibited investment areas of the Negative List that seek to issue shares overseas shall obtain approval from the relevant competent national authorities. The overseas investors shall not participate in the operation and management of the enterprise, and overseas investors’ shareholding percentage shall be subject to the relevant provisions on administration of domestic securities investment by overseas investors. Both internet cultural business (excluding music) and radio and television program production and operations fall under the prohibited investment areas. Furthermore, according to the Responses to Reporter Questions on the 2021 Version of the Negative List for Foreign Investment Access (《就2021年版外商投資准入負面清單答記者問》) issued by the NDRC on December 27, 2021, the shareholding percentage of a single foreign investor and its related parties shall not exceed 10% of the company’s total shares, and the shareholding percentage of all

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foreign investors and their related parties shall not exceed 30% of the company’s total shares. For enterprises listed both domestically and overseas, the shares held by foreign investors in the same enterprise, whether listed domestically or overseas, shall be calculated on a consolidated basis. After a domestic enterprise submits its overseas listing application materials to the China Securities Regulatory Commission (the “CSRC”), if the enterprise involves any business in the prohibited investment areas as set out in the Negative List, the CSRC will seek opinions from the competent industry authorities or other relevant departments.

LAWS AND REGULATIONS RELATED TO PAYMENT SERVICES OF NON-BANK PAYMENT INSTITUTIONS

According to the Regulations on Supervision and Administration of Non-bank Payment Institutions (“Non-bank Payment Institutions Regulations”) (《非銀行支付機構監督管理條例》), which was promulgated by the State Council on December 9, 2023 and implemented on May 1, 2024, a non-bank payment institution refers to a limited liability company or a joint-stock limited company, which is established in accordance with the law within the territory of the PRC, other than banking financial institutions, that has obtained the payment license and engaged in the transfer of currency funds and other payment businesses based on electronic payment instructions submitted by payees or payers. The establishment of a non-bank payment institution shall be subject to the approval of the People’s Bank of China (the “PBOC”) and the acquisition of a Payment License. A non-bank payment institutions shall engage in payment business in accordance with the type of business and within the geographical area of operation specified in the Payment License. Non-bank payment institutions that provide payment services for domestic transactions shall complete transaction processing, fund settlement, and data storage within the PRC. Non-bank payment institutions that provide payment services for cross-border transactions shall comply with the relevant provisions on cross-border payments, cross-border RMB business, foreign exchange management, and cross-border data flows.

Pursuant to the Measures for Anti-Money Laundering and Anti-Terrorism Financing of Payment Institutions (《支付機構反洗錢和反恐怖融資管理辦法》), which was issued by the PBOC on March 5, 2012 and implemented on the same date, payment institutions that have obtained a payment license shall fulfill their obligations in respect of anti-money laundering and anti-terrorism financing in accordance with the law, mainly including client identification, client identification information and transaction record-keeping, suspicious transaction report, anti-money laundering and anti-terrorism financing surveys, etc.

Pursuant to the Anti-Telecom and Online Fraud Law of the PRC (《中華人民共和國反電信網絡詐騙法》), which was promulgated by the SCNPC on September 2, 2022 and implemented on December 1, 2022, non-bank payment institutions shall, in accordance with the relevant provisions of the State, transmit the transaction information such as the names of the businesses which directly provide goods or services, and the names and account numbers of the payers and payees in a complete and accurate manner, and ensure the authenticity and completeness of the transaction information and the consistency in the whole process of payment.

On March 20, 2026, the Ministry of Justice of the PRC, the PBOC, the National Financial Regulatory Administration, the CSRC, and the State Administration of Foreign Exchange jointly issued the Financial Law of the PRC (Draft) (《中華人民共和國金融法(草案)》) and initiated a public consultation period. This draft provides overarching provisions regarding financial activities, financial institutions, and financial businesses within the PRC, explicitly requiring that all financial activities be brought under regulatory oversight. According to the draft, non-bank payment institutions may be

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deemed financial institutions and will be subject to the supervision of national financial regulatory authorities. As of the Latest Practicable Date, the Financial Law of the PRC (Draft) has not been adopted through the legislative procedures of the PRC and has not yet come into force.

Pursuant to the Administrative Measures for the Reporting of Material Matters by Non-bank Payment Institutions (《非銀行支付機構重大事項報告管理辦法》), which was promulgated by the PBOC on July 20, 2021 and implemented on September 1, 2021, if a payment institution proposes to make an initial public offering or to issue additional shares, or if a major contributor or the de facto controller of the payment institution proposes to make an initial public offering, including but not limited to the circumstance where it directly serves as a subject of the initial public offering or makes an overseas listing through variable interest entities or otherwise, the payment institution shall report the events to the local branch office of the PBOC in advance. The Company has fulfilled the foregoing reporting obligations to the Zhejiang Branch of the PBOC in March, 2026. As of the Latest Practicable Date, we have not received any further request or objection in respect to the report.

REGULATIONS RELATED TO CREDIT REPORTING BUSINESS

According to (a) the Regulations on the Administration of Credit Reporting Industry (《徵信業管理條例》), which was promulgated by the State Council on January 21, 2013 and implemented on March 15, 2013 and (b) the Measures for the Administration of the Credit Reporting Business (《徵信業務管理辦法》), which was promulgated by the PBOC on September 27, 2021 and implemented on January 1, 2022, credit reporting business refers to the activities of collecting, organizing, storing and processing credit-related information of enterprises and individuals, as well as providing such information to information users. Credit-related information refers to the basic information, loan information, and other relevant information collected in accordance with the law to serve financial and other activities, and used to identify and judge the credit status of enterprises and individuals, as well as analysis and evaluation information formed based on the aforementioned information. The State adopts a license system for credit reporting business, where (i) those engaging in personal credit reporting business shall obtain a license from the personal credit reporting institution of the PBOC in accordance with the law; (ii) those engaging in corporate credit reporting business shall complete the filing for corporate credit reporting institutions in accordance with the law; and (iii) those engaging in the credit rating business shall complete the filing for credit rating institutions in accordance with the law. Credit reporting institutions that conduct credit reporting business and related activities within the territory of the PRC shall store the collected corporate credit information and personal credit information within the territory of the PRC.

REGULATIONS RELATED TO COMMERCIAL FACTORING

On June 27, 2012, the MOC promulgated the Notice on Pilot Scheme for Commercial Factoring (《關於商業保理試點有關工作的通知》) (the “**Notice on Pilot Scheme**”), to launch the pilot scheme for commercial factoring in Shanghai Pudong New District and Tianjin Binhai New District. Pursuant to the Notice on Pilot Scheme, a commercial factoring company shall not engage in prohibited financial activities such as absorbing deposits or providing loans, and is not allowed to be engaged in debt collection business or being entrusted to collect debts. On May 8, 2018, the MOC issued the Notice on Matters Concerning Adjustments to the Responsibility to Regulate Financial Leasing Companies, Commercial Factoring Companies and Pawnshops (《關於融資租賃公司、商業保理公司和典當行管理職責調整有關事宜的通知》), to transfer the regulatory responsibilities of commercial factoring industry to the China Banking and Insurance Regulatory Commission (the “**CBIRC**”, which was restructured into the National Financial Regulatory Administration in 2023).

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Pursuant to the Notice on Strengthening the Supervision and Administration of Commercial Factoring Enterprises (《關於加強商業保理企業監督管理的通知》), which was promulgated by the CBIRC on October 18, 2019 and implemented on the same date, a commercial factoring company shall not engage in the following businesses: (i) absorbing public funds either directly or in disguise; (ii) lending or borrowing money from other commercial factoring enterprises directly or in disguise; (iii) providing loans or providing loans upon entrustment.

We obtained the approval document from the Zhejiang Provincial Financial Regulatory Administration in December 2021 for the establishment of a commercial factoring company, and based on that approval, we established Zhejiang China Commodities City Group Commercial Factoring Co., Ltd. in January 2022 to engage in commercial factoring business.

LAWS AND REGULATIONS RELATED TO CYBERSECURITY, PERSONAL INFORMATION PROTECTION AND DATA SECURITY

Laws and Regulations on Cybersecurity

According to the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) (the “**Cybersecurity Law**”), which was promulgated by the SCNPC on November 7, 2016, latest amended on October 28, 2025 and implemented on January 1, 2026, a network operator, including internet information services providers among others, shall adopt technical measures and other necessary measures in accordance with applicable laws and regulations as well as compulsory national standards to safeguard the safety and stability of network operations, effectively respond to network security incidents, prevent illegal and criminal activities, and maintain the integrity, confidentiality and availability of network data. The Cybersecurity Law emphasizes that any individuals and organizations that use networks shall not endanger network security or use networks to engage in unlawful activities such as those endangering national security, economic order and social order or infringing the reputation, privacy, intellectual property rights and other lawful rights and interests of others. Any violation of the provisions and requirements under the Cybersecurity Law may subject a network operator to warnings, confiscation of illegal gains, fines, revocation of business permits or licenses, close-down of websites or even criminal liabilities.

On December 28, 2021, 13 ministries and commissions including the Cyberspace Administration of China (the “CAC”) issued the revised Measures for Cybersecurity Review (《網絡安全審查辦法》) (the “**Revised Cybersecurity Review Measures**”), which came into effect on February 15, 2022. According to the Revised Cybersecurity Review Measures, purchases of network products and services by critical information infrastructure operators and data processing activities by network platform operators, which affect or may affect national security, shall be subject to a cybersecurity review. Network platform operators possessing the personal information of more than 1 million users who intend to list abroad must apply to the Cybersecurity Review Office for a cybersecurity review.

Laws and Regulations on Personal Information Protection and Data Security

Pursuant to the Civil Code, the personal information of natural persons shall be protected by law. Any organization or individual that needs to obtain personal information of others shall obtain it in accordance with the law and ensure the security of the information, and shall not illegally collect, use, process or transmit the personal information of others, or illegally trade in, provide or disclose the personal information of others.

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On June 10, 2021, the SCNPC promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》) (the “**Data Security Law**”), which came into effect on September 1, 2021. The Data Security Law stipulates the establishment of a data classification and graded protection system based on the importance of data in economic and social development, as well as the degree of harm it will cause to national security, public interests or legitimate rights and interests of individuals or organizations when such data is tampered with, destroyed, leaked, or illegally acquired or used. The “important data” determined by the competent government authorities should be strengthened in protection. Data that falls under controlled items and relates to safeguarding national security and interests or fulfilling international obligations shall be subject to export controls in accordance with the law. In addition, the Data Security Law provides that important data processors shall appoint a data security officer and designate a management department to take charge of data security protection, and such processors shall periodically assess the risks of their data processing activities and file assessment reports with the relevant competent authorities. Any violation of the Data Security Law may subject relevant entities or individuals to rectification orders, warnings, fines, business suspension, revocation of relevant business permits or licenses or even criminal liabilities.

According to the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》), which was promulgated by the SCNPC on August 20, 2021 and implemented on November 1, 2021, the processing of personal information shall be for a clear and reasonable purpose and shall be directly related to that purpose, adopting the method that causes the least impact on the rights and interests of individuals. The collection of personal information shall be limited to the minimum scope necessary for achieving the purpose of processing, and excessive collection of personal information shall be prohibited. No organization or individual may illegally collect, use, process or transmit personal information of others, illegally buy or sell, provide or disclose the personal information of others, or engage in the processing of personal information that endangers the national security or public interests.

On July 7, 2022, the CAC promulgated the Security Assessment Measures on Outbound Data Transfer (《數據出境安全評估辦法》), which became effective on September 1, 2022, and clearly stipulates the regulations and procedures for conducting outbound data transfer security assessment for important data and personal information collected and generated within the territory of PRC. On February 22, 2023, the CAC promulgated the Measures on the Standard Contract on Outbound Transfer of Personal Information (《個人信息出境標準合同辦法》), which became effective on June 1, 2023, and clearly stipulates that personal information processors shall meet certain conditions when conducting the outbound transfer of personal information by entering into standard contracts, and shall file the signed standard contracts with the provincial cyberspace administration. On March 22, 2024, the CAC promulgated the Provisions on Promoting and Regulating Cross-Border Data Flows (《促進和規範數據跨境流動規定》) (the “**Promoting Provisions**”), further adjusting the scope, exemption conditions and procedures applicable to outbound data transfer security assessment and the filing mechanism of standard contracts for the outbound transfer of personal information. According to the aforementioned measures and regulations, where a data processor transfers data outbound, the data processor shall apply to the CAC for outbound data transfer security assessment through the provincial cyberspace administration when any of the following conditions are met: (1) a critical information infrastructure operator provides personal information or important data overseas; (2) a data processor other than a critical information infrastructure operator provides important data overseas, or has provided personal information of more than 1 million individuals (excluding sensitive personal information) or more than 10,000 pieces of sensitive personal information overseas since January 1 of the current year, unless the exemption circumstances stipulated in Articles 3 to 6 of the Promoting Provisions are met.

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LAWS AND REGULATIONS RELATED TO LABOR

According to the Labor Law of the PRC (《中華人民共和國勞動法》), which was promulgated by the SCNPC on July 5, 1994, latest amended on December 29, 2018 and implemented on the same date, and the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) (the “**Labor Contract Law**”), which was promulgated by the SCNPC on June 29, 2007, amended on December 28, 2012 and implemented on July 1, 2013, employers shall establish and improve rules and regulations in accordance with the law to ensure the employees to enjoy their rights and perform their duties as employees. A labor contract is an agreement between an employee and an employer to establish the employment relationship and clarify the rights and obligations of both parties. To establish an employment relationship, a written labor contract shall be concluded. The State implements a minimum wage guarantee system. The wages paid by an employer to the employees shall not be lower than the local minimum wage standard. Employers are required to establish and improve labor safety and hygiene systems, strictly enforce national labor safety and hygiene regulations and standards, and provide safety and health education to employees to prevent workplace accidents and reduce occupational hazards.

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which was promulgated by the SCNPC on October 28, 2010, amended on December 29, 2018 and implemented on the same date, and the Interim Regulations on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) which was promulgated by the State Council on January 22, 1999, amended on March 24, 2019 and implemented on the same date, an employer is required to contribute the social insurance for its employees in the PRC, including the basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance and injury insurance. If an employer fails to register for social insurance, the social insurance administrative department shall order the employer to correct the violation within a specified period; if the employer fails to do so after the deadline, a fine of not less than one time and not more than three times the amount of social insurance premiums due shall be imposed on the employer. If an employer fails to pay social insurance premiums in full and on time, the social insurance collection agency shall order the employer to pay or make up the arrears within a specified period. From the date of default, a daily late fee of 0.05% of the overdue amount will be charged. If the payment is still not made after the deadline, the relevant administrative department may impose a fine of not less than one time and not more than three times the unpaid amount.

On July 31, 2025, the Supreme People’s Court of the PRC promulgated the Interpretation (II) of the Supreme People’s Court on 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用法律問題的解釋(二)》), which took effect on September 1, 2025. Article 19(1) thereof stipulates that if an employer and an employee agree or the employee undertakes to the employer that no social insurance premiums need to be paid, the People’s Court shall determine that such agreement or undertaking is invalid. In addition, where an employer fails to pay social insurance premiums in accordance with the law, and the employee seeks to terminate the labor contract and claims economic compensation from the employer pursuant to Article 38(3) of the Labor Contract Law, the People’s Court of the PRC shall support such claim in accordance with the law.

According to the Regulations on the Administration of Housing Funds (《住房公積金管理條例》), which was promulgated by the State Council on April 3, 1999, latest amended on March 24, 2019 and implemented on the same date, an employer is required to make contributions to a housing provident fund for its employees. If an employer fails to register for housing provident fund contributions or fails to establish housing provident fund accounts for its employees, the housing provident fund management center shall order the employer to complete the registration within a specified period. If the employer fails to comply within the specified period, a fine between RMB10,000 and RMB50,000 may be

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imposed. If the employer delays or underpays the housing provident fund contributions, the housing provident fund management center shall order the employer to make the contributions within a specified period. If the employer still fails to comply, the center may apply to the People’s Court for enforcement.

LAWS AND REGULATIONS RELATED TO TAXATION

(1) Income tax

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the “**EIT Law**”), which was promulgated by the National People’s Congress on March 16, 2007, latest amended by the SCNPC on December 29, 2018 and implemented on the same date, and the Regulations for the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), which was promulgated by the State Council on December 6, 2007, latest amended on December 6, 2024 and implemented on January 20, 2025, resident enterprises refer to enterprises that are legally established in the PRC, or are established under foreign laws but whose actual management bodies are located in the PRC. A resident enterprise shall be subject to a tax rate of 25% of any income generated within or outside Chinese mainland. High and new technology enterprises supported by the State may enjoy a reduced tax rate of 15%.

(2) Value-added Tax

According to the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》), which was promulgated by the SCNPC on December 25, 2024 and implemented on January 1, 2026, entities and individuals (including individual businesses) selling goods, services, intangible assets, real estate or importing goods within the territory of the PRC are taxpayers of VAT and shall pay VAT in accordance with the provisions of the law. Except for the export of goods, the sale of services or intangible assets within the scope as prescribed by the State Council by domestic entities and individuals across national borders and other circumstances specified for by the State Council, the rate of VAT for sale of goods, services of processing, repair or replacement, tangible movable property leasing services or import of goods is 13% unless otherwise specified, such as the rate of VAT for sale of agricultural products is 9%, and the rate of VAT for sale of transportation services, postal services, basic telecommunications services, construction services, or immovable property leasing services, sale of immovable properties, or transfer of the rights to use land is 9%. In addition to the above circumstances, the rate of VAT for sale of services or intangible assets is 6%.

LAWS AND REGULATIONS RELATED TO SECURITIES AND OVERSEAS LISTING

The Securities Law of the PRC (《中華人民共和國證券法》), which was promulgated by the SCNPC on December 29, 1998, latest amended on December 28, 2019 and implemented on March 1, 2020, comprehensively regulates the activities of the securities market in the PRC, including the issuance and trading of securities, acquisitions of listed companies, disclosure of information, investor protection, stock exchanges, securities companies, securities registration and clearing institutions, securities service agencies, securities associations and securities regulatory authorities.

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) (the “**Overseas Listing Trial Measures**”) and related guidelines, which came into effect on March 31, 2023. According to the Overseas Listing Trial Measures, overseas issuance and listing will be prohibited under certain circumstances, and where a domestic enterprise in the PRC directly or indirectly issues or lists shares overseas, it shall file a report with the CSRC within three working days after submitting the application documents for issuance and listing overseas.

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Pursuant to the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), which was promulgated by the CSRC and three other relevant government authorities on February 24, 2023 and implemented on March 31, 2023, where a domestic enterprise provides or publicly discloses any document or material that involves state secrets and working secrets of state agencies to relevant securities companies, securities service institutions, overseas regulatory authorities, or other entities or individuals, it shall, in accordance with the law, submit a report for approval to the competent department with approval authority, and file a report with the administrative department for secrecy at the same level for record. The working papers formed within the territory of the Chinese mainland by the securities companies and securities service institutions that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the Chinese mainland. Any cross-border transfer shall be subject to approval formalities in accordance with the relevant provisions of the State.

LAWS AND REGULATIONS IN RELATION TO INTERNATIONAL SANCTIONS

United States

The Office of Foreign Assets Control (“OFAC”) is the primary agency responsible for administering U.S. sanctions programmes against targeted countries, entities, and individuals. “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), and “secondary” U.S. sanctions apply extraterritorially to the activities of non-U.S. persons even when the transaction has no U.S. nexus. Generally, U.S. persons are defined as entities organized under U.S. law (such as companies and their U.S. subsidiaries); any U.S. entity’s domestic and foreign branches (sanctions against Iran and Cuba also apply to U.S. companies’ foreign subsidiaries or other non-U.S. entities owned or controlled by U.S. persons); U.S. citizens or permanent resident aliens (“green card” holders), regardless of their location in the world; individuals physically present in the United States; and U.S. branches or U.S. subsidiaries of non-U.S. companies.

Depending on the sanctions program and/or parties involved, U.S. law also may require a U.S. company or a U.S. person to “block” (freeze) any assets/property interests owned, controlled or held for the benefit of a sanctioned country, entity, or individual when such assets/property interests are in the United States or within the possession or control of a U.S. person. Upon such blocking, no transaction may be undertaken or effected with respect to the asset/property interest — no payments, benefits, provision of services or other dealings or other type of performance (in case of contracts/agreements) — except pursuant to an authorization or license from OFAC. OFAC’s comprehensive sanctions programmes currently apply to Cuba, Iran, North Korea, the Crimea region of Russia/Ukraine, and the self-proclaimed Luhansk People’s Republic (LPR) and Donetsk People’s Republic (DPR) regions (the comprehensive OFAC sanctions programme against Sudan was terminated on October 12, 2017).

OFAC also prohibits virtually all business dealings with persons and entities identified in the SDN List. Entities that a party on the SDN List owns (defined as a direct or indirect ownership interest of 50% or more, individually or in the aggregate) are also blocked, regardless of whether that entity is expressly named on the SDN List. Additionally, U.S. persons, wherever located, are prohibited from approving, financing, facilitating, or guaranteeing any transaction by a non-U.S. person where the transaction by that non-U.S. person would be prohibited if performed by a U.S. person or within the United States.

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United Nations

The United Nations Security Council (the “UNSC”) can take action to maintain or restore international peace and security under Chapter VII of the United Nations Charter. Sanctions measures encompass a broad range of enforcement options that do not involve the use of armed force. Since 1966, the UNSC has established 30 sanctions regimes.

The UNSC sanctions have taken a number of different forms, in pursuit of a variety of goals. The measures have ranged from comprehensive economic and trade sanctions to more targeted measures such as arms embargoes, travel bans, and financial or commodity restrictions. The UNSC has applied sanctions to support peaceful transitions, deter non-constitutional changes, constrain terrorism, protect human rights and promote non-proliferation. There are 14 ongoing sanctions regimes which focus on supporting political settlement of conflicts, nuclear non-proliferation, and counter-terrorism. Each regime is administered by a sanctions committee chaired by a non-permanent member of the UNSC. There are ten monitoring groups, teams and panels that support the work of the sanctions committees. United Nations sanctions are imposed by the UNSC, usually acting under Chapter VII of the United Nations Charter. Decisions of the UNSC bind members of the United Nations and override other obligations of United Nations member states.

European Union

Under European Union sanction measures, there is no “blanket” ban on doing business in or with a jurisdiction targeted by sanctions measures. It is not generally prohibited or otherwise restricted for a person or entity to do business (involving non-controlled or unrestricted items) with a counterparty in a country subject to European Union sanctions where that counterparty is not a Sanctioned Person and not engaged in prohibited activities, such as exporting, selling, transferring or making certain controlled or restricted products available (either directly or indirectly) to, or for use in a jurisdiction subject to sanctions measures, provided that no funds and economic resources are made available to the Sanctioned Persons.

United Kingdom and United Kingdom overseas territories

As of January 1, 2021, the United Kingdom is no longer an EU member state. EU law including EU sanctions measures continued to apply to and in the United Kingdom until December 31, 2020. EU sanctions measures had also been extended by the United Kingdom on a regime-by-regime basis to apply in the United Kingdom overseas territories, including the Cayman Islands. Starting from January 1, 2021, the United Kingdom applies its own sanctions programs and has extended its autonomous sanctions regimes to apply to and in the United Kingdom overseas territories.

Australia

The Australian restrictions and prohibitions arising from the sanctions laws apply broadly to any person in Australia, any Australian anywhere in the world, companies incorporated overseas that are owned or controlled by Australians or persons in Australia, and/or any person using an Australian flag vessel or aircraft to transport goods or transact services subject to United Nations sanctions.

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U.S. EXPORT CONTROLS

The United States has implemented and has proposed additional restrictions, some of which may impact Chinese companies, including us. For instance, in October 2022, BIS issued an interim final rule (the “**BIS October 2022 IFR**”) requiring license for exports, re-exports, or transfers of any item subject to the EAR when there is “knowledge” that the item is destined for end use in the development or production of ICs at a fab in China that fabricates ICs meeting certain criteria. On December 2, 2024, BIS issued an interim final rule (the “**BIS December 2024 IFR**”) and a final rule (the “**BIS December 2024 FR**”), which expanded controls in the EAR on advanced computing and semiconductor manufacturing items. The United States has increased export controls restrictions on China through the Export Administration Regulations (the “**EAR**”), administered by the Bureau of Industry and Security of the U.S. Department of Commerce (the “**BIS**”), which includes a list of foreign persons on which certain trade restrictions are imposed, including businesses, research institutions, government and private organizations, individuals and other types of legal persons (the “**Entity List**”). Products produced outside of the United States (i.e., foreign produced items in U.S. export controls context) that contain a de minimis threshold (usually varies from 10% to 25%) of controlled U.S.-origin items, or otherwise subject to the foreign direct product rules because of the end-user or end-use, would be subject to the EAR export restrictions because of the U.S.-origin incorporated in or otherwise used in the development of such products. Where a foreign person is included on the Entity List, the export, re-export and/or transfer (in-country) of items which are subject to the EAR including the type of aforementioned foreign produced items generally is prohibited unless the specified license requirements are met.

In addition, EAR also maintains a list of items, software, and technology that are subject to export controls (the “**Commerce Control List**”). The Commerce Control List is primarily based on multilateral export control lists, such as the Wassenaar Arrangement’s List of Dual-Use Goods and Technologies and Munitions List, BIS can also implement unilateral licensing requirements and other controls on items subject to U.S. export controls jurisdiction that can restrict exports and re-exports to certain countries, as well as transfers within a country to a different end-user or end-use. The Commerce Control List is divided into ten categories, represented by the first digit of the Export Control Classification Number (“**ECCN**”).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

Our history can be traced back to December 1993 when our Company was established as a joint stock company by MD Group and other shareholders in order to consolidate the management and operation of the commodity marketplace business that had evolved locally in Yiwu since 1982, pursuant to the strategic initiative of Yiwu to promote urban prosperity through commerce. Through over 30 years of development, we have become a globally leading international trade comprehensive services, and operate and manage Yiwu China Commodities City, the world’s largest small commodities wholesale marketplace in terms of number of merchants according to CIC.

Since May 2002, our Company has been listed on the Shanghai Stock Exchange under the stock code 600415. As of the Latest Practicable Date, our Company was held as to approximately 56.37% by CCC Holdings, a wholly owned subsidiary of MD Group. CCC Holdings and MD Group are our Controlling Shareholders. See “Relationship with our Controlling Shareholders” for further details.

BUSINESS DEVELOPMENT MILESTONES

The following table summarizes the key milestones in our business development:

Time	Milestone
1993	Our Company was established.
1995	Our Company was renamed to Zhejiang China Commodities City Group Co., Ltd. We held the First China Commodities Expo.
1998	Yiwu China Commodities City was one of the first markets in Zhejiang Province that obtained self-managed import and export rights.
2002	International Trade Mart District 1 commenced operations, becoming the world’s largest single-site wholesale market for small commodities by gross floor area. Our Company was listed on the Shanghai Stock Exchange.
2005	Yiwu China Commodities City was recognized as the world’s largest small commodities wholesale marketplace in terms of number of merchants in 2005, according to CIC.
2006	The “Yiwu-China Small Commodity Index” was officially launched and published to the public. Yiwu International Trade City was designated by the China National Tourism Administration as China’s first “National AAAA-Grade Shopping Tourism Zone”
2014	The trademark “Yiwu China Commodities City” was recognized as a Well-Known Trademark by the State Administration for Industry and Commerce of the PRC, making it the first commodity trading market in China to receive such recognition.
2019	Our Company established a strategic positioning as a globally recognised international trade comprehensive services provider, promoting the transformation from physical property management to a comprehensive trade services platform.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Time	Milestone
2020	We launched the digital trade service platform <i>Chinagoods</i> , marking the commencement of the digitalization phase of trade fulfilment services.
2023	We obtained approval for a cross-border payment licence, and our payment solutions Yiwu Pay commenced operations, establishing a closed-loop settlement system for cross-border and domestic transactions.
2024	Our Company became the sole enterprise selected in the first round of pilot programmes for the positive list of imported daily consumer goods (進口日用消費品正面清單), further expanding our policy advantages in trade services.
2025	The Global Digital Trade Center officially commenced operations, creating an integrated digital trade services hub.
2026	Our Global Digital Trade Center served as the main stage of the Zhejiang sub-venue of the 2026 CCTV Spring Festival Gala, further enhancing our brand recognition both domestically and globally.

OUR MAJOR SUBSIDIARIES

Our business operations have been carried out by our Company and our subsidiaries. The following sets forth information about our major subsidiaries as of the Latest Practicable Date, which had made a material contribution to our results of operation during the Track Record Period.

Name	Place of establishment	Date of establishment	Principal business activities
CCC Big Data	PRC	March 6, 2020	Operation of our digital trade service platform <i>Chinagoods</i>
CCC Import and Export	PRC	May 11, 2017	The import and export of goods
CCC Financial Holding	PRC	November 3, 2016	Investment activities
Kuaijietong	PRC	July 11, 2012	Provision of payment service

CORPORATE DEVELOPMENT

Establishment of Our Company

In December 1993, our Company was established as a joint stock company under the laws of the PRC. Upon establishment, our Company was held as to approximately 37.41% by MD Group and 62.59% by other initial shareholders.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Listing on the Shanghai Stock Exchange and Share Reform

In May 2002, our Company completed the listing of its A Shares on the Shanghai Stock Exchange (stock code: 600415) (the “**A-Shares Listing**”). Prior to that, the registered share capital of our Company was RMB104,030,009. In the A-Shares Listing, our Company converted an aggregate of 29,152,099 existing shares to be tradeable A-Shares on the Shanghai Stock Exchange, which accounted for approximately 28.02% of our Company’s then issued shares. Upon completion of the A-Shares Listing, our Company had a registered capital of RMB104,030,009, divided into 29,152,099 tradeable A-Shares and 74,877,910 non-tradeable Shares.

In August 2006, our Company conducted a share reform, pursuant to which all our non-tradable Shares became converted, listed and traded as A Shares.

Subsequent Shareholding Changes

Subsequent to a series of share capital changes of our Company since our A-Shares Listing, as of the Latest Practicable Date, the total issued share capital of our Company became 5,483,559,226 A Shares and the shareholding structure of our Company is set out as follows:

Shareholder	Number of A Shares	Approximate percentage of shareholding (%)
CCC Holdings ⁽¹⁾	3,091,064,692	56.37
Other A Shareholders ⁽²⁾	2,392,494,534	43.63
Total	5,483,559,226	100

Notes:

- (1) In May 2020, CCC Holdings became our Shareholder upon a gratuitous transfer of the entire interest in our Company held by MD Group as directed and approved by relevant authorities. CCC Holdings is a wholly owned subsidiary of MD Group. CCC Holdings and MD Group are our Controlling Shareholders.
- (2) To the best knowledge of our Directors, other A Shareholders included over 170,000 Shareholders as of March 31, 2026.

ACQUISITIONS AND DISPOSALS

Save as disclosed below, we had not carried out any major acquisitions, disposals or mergers during the Track Record Period and up to the Latest Practicable Date.

Disposal of Xingchen Enterprise Management

Xingchen Enterprise Management was established in the PRC on June 23, 2011. Prior to the disposal detailed below, Xingchen Enterprise Management was wholly owned by CCC Big Data, and it held a 95% equity interest in Haicheng Yiwu China Commodities City Investment and Development Co., Ltd. (海城義烏中國小商品城投資發展有限公司) (“**Haicheng CCC**”), which operated Haicheng Market, a physical marketplace in Liaoning, China. For details of Haicheng Market, see “Business — Our Business — Ancillary Facility Development and Sales — Haicheng Market”.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Due to the loss-making position of Xingchen Enterprise Management as well as Haicheng CCC and in order to improve our overall financial position and profitability, in April 2024, CCC Big Data, a wholly-owned subsidiary of our Company, entered into an equity transfer agreement with CCC Holdings, one of our Controlling Shareholders, pursuant to which CCC Big Data agreed to transfer its entire 100% equity interest in Yiwu Xingchen Enterprise Management Co., Ltd. (義烏興宸企業管理有限公司) (“**Xingchen Enterprise Management**”) to CCC Holdings at nil consideration (the “**Xingchen Disposal**”). The consideration for the Xingchen Disposal was determined based on an asset-based valuation conducted by an independent qualified valuer which assessed the equity value of Xingchen Enterprise Management attributable to CCC Big Data at nil, reflecting the negative consolidated net assets of Xingchen Enterprise Management and the liability of CCC Big Data being limited to the fully paid-up registered capital of Xingchen Enterprise Management. The Xingchen Disposal was conducted on an arm’s length basis and on normal commercial terms. As a condition precedent to completion, CCC Holdings was required to repay all outstanding loans owed by Xingchen Enterprise Management to our Company, amounting to approximately RMB2.54 billion as of March 31, 2024. In connection with the Xingchen Disposal, CCC Holdings also committed to entrust among others the Haicheng Market to our Company for operation and management following completion to avoid any potential competition issues. Upon completion of the Xingchen Disposal, Xingchen Enterprise Management and Haicheng CCC ceased to be subsidiaries of our Group.

As advised by our PRC Legal Advisors, Xingchen Enterprise Management and Haicheng CCC were not involved in any material non-compliance during the Track Record Period and up to completion of the Xingchen Disposal. Our PRC Legal Advisors have confirmed that the Xingchen Disposal has been properly and legally completed and settled, and all applicable regulatory approvals have been obtained in accordance with applicable PRC laws and regulations.

OUR LISTING ON THE SHANGHAI STOCK EXCHANGE AND REASONS FOR THE [REDACTED] ON THE STOCK EXCHANGE

Our Company is currently listed on the main board of Shanghai Stock Exchange. Our Directors confirmed that, and our PRC Legal Advisor is of the view that, during the Track Record Period and up to the Latest Practicable Date, we had no instances of material non-compliance with the rules of the Shanghai Stock Exchange and other applicable securities laws and regulations of the PRC, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the investors’ attention in relation to our compliance record on the Shanghai Stock Exchange. Based on the independent due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors’ attention that would cause them to disagree with the Directors’ confirmation with regard to the compliance records of the Company on the Shanghai Stock Exchange.

Our Company seeks to be [REDACTED] on the Stock Exchange in order to advance our overseas development strategy, continuously attract and retain high-calibre talent, enhance our overseas financing capability, and further strengthen our core competitiveness. See “Business — Our Strategies” and “Future Plans and Use of [REDACTED]” for more details.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

PUBLIC FLOAT AND FREE FLOAT

Satisfaction of the Public Float Requirement

Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public, at the time of listing, must (a) represent at least 10% of the issuer’s total number of issued shares in the class to which H shares belong (excluding treasury shares); or (b) have an expected market value of not less than HK\$3,000,000,000.

Our A Shares are listed on the Shanghai Stock Exchange. The total number of the H Shares to be [REDACTED] pursuant to the [REDACTED] represents approximately [REDACTED] of the total issued share capital of our Company (assuming that the [REDACTED] is not exercised and that there are no other changes to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]). Immediately upon completion of the [REDACTED] (assuming that the [REDACTED] is not exercised and that there are no other changes to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]), to the best knowledge of our Company, the H Shares expected to be held by the public have an expected value of approximately HK\$[REDACTED] billion (calculated based on the lower end of the indicated [REDACTED] of HK\$[REDACTED] per H Share), which is higher than the prescribed market value of the H Shares required to be held by the public of HK\$3 billion under Rule 19A.13A(2)(b). Based on the above, it is expected that our Company will satisfy the public float requirements as required under Rule 19A.13A(2) of the Listing Rules.

Satisfaction of the Free Float Requirement

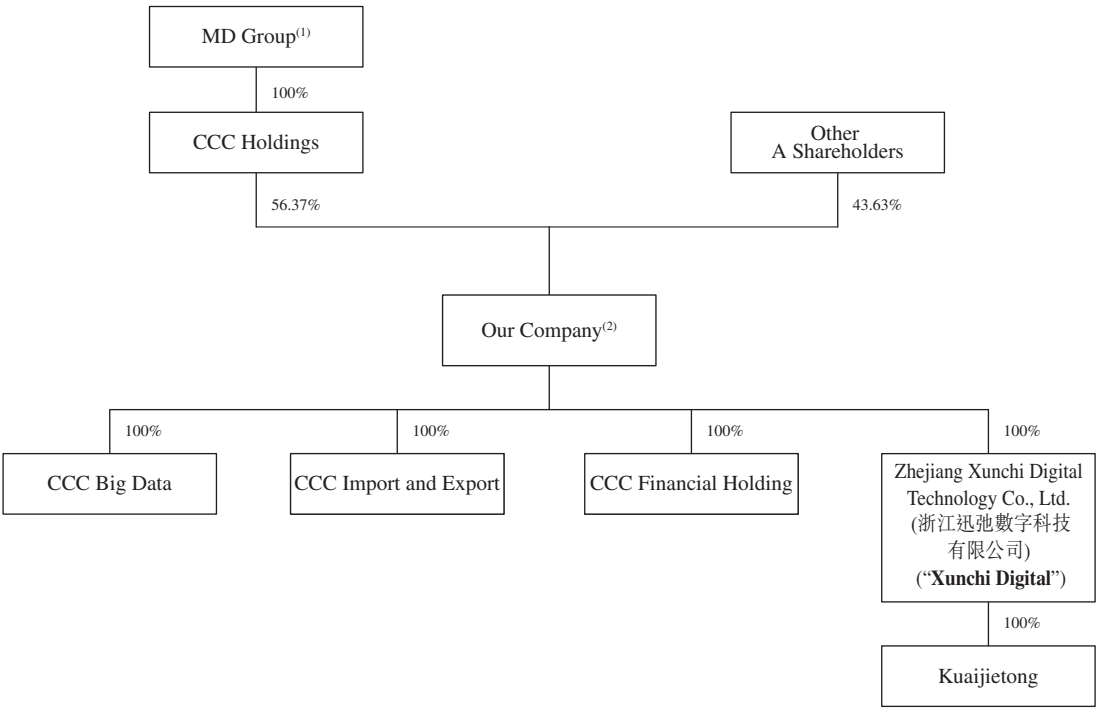
Rule 8.08A (as amended and replaced by Rule 19A.13C) of the Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 5% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK\$50,000,000; or (b) have an expected market value at the time of listing of not less than HK\$600,000,000.

Based on an [REDACTED] of HK\$[REDACTED] per H Share, being the lower end of the indicated [REDACTED], our Company [will] satisfy the free float requirement under Rule 19A.13C(2) of the Hong Kong Listing Rules.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE STRUCTURE

The following chart sets forth our simplified corporate structure immediately prior to completion of the [REDACTED] (assuming no changes are made to our issued share capital between the Latest Practicable Date and the [REDACTED]):

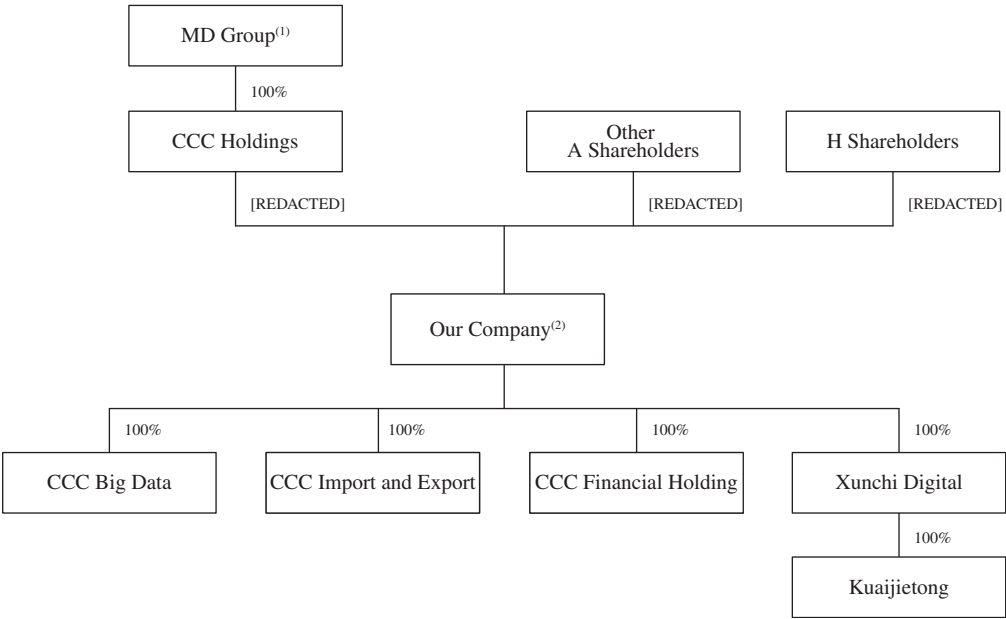


Notes:

- (1) As of the Latest Practicable Date, MD Group was owned as to 88.57% by Yiwu SOC, which was in turn controlled as to 85.56% by Yiwu SASAC. Each of Yiwu SOC and Yiwu SASAC is a PRC Governmental Body as defined under the Listing Rules. Pursuant to Rule 19A.14 of the Listing Rules, both Yiwu SOC and Yiwu SASAC shall not be considered as Controlling Shareholders.
- (2) As of the Latest Practicable Date, we had over 40 other subsidiaries across various jurisdictions owned or controlled by us.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

The following chart sets forth our simplified corporate structure immediately after the completion of the [REDACTED] (assuming that the [REDACTED] has not been exercised and that no changes are made to our issued share capital between the Latest Practicable Date and the [REDACTED]):



Note:

(1) See notes (1) and (2) to the corporate structure chart immediately prior to the completion of the [REDACTED] as set out above.

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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 developing 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:

INDUSTRY POSITION



World’s Largest
Small Commodities
Wholesale Marketplace⁽¹⁾



World’s Largest
International Trade Comprehensive
Services Platform⁽²⁾
No.1 Among China’s Small
Commodities Wholesale Marketplaces
for 36 Consecutive Years⁽²⁾



China’s Only
First-batch Pilot under China’s
Positive List for Imported
Daily Consumer Goods

SCALE OF OPERATIONS



~1.6 million sq.m.
Total Lettable Marketplace
Area⁽¹⁾



RMB19,707.4 million
Revenue (2025)
2023–2025 Revenue CAGR:
32.2%



RMB4,215.7 million
Net Profit (2025)
2023–2025 Net Profit CAGR:
25.4%

SUPPLY & DISTRIBUTION



~80,000 Merchants
At Yiwu China
Commodities City



**~5.6 million
Registered Buyers**
On Chinagoods



>28,000 Users
Cumulatively on
“World Yiwu”⁽³⁾

GLOBAL FOOTPRINT



78 Overseas Projects
Including Overseas Sub-Markets,
Warehouses, Showrooms,
Exhibitions and Chinagoods⁽¹⁾



>30,000 sq.m.
Area of Self-Operated
Warehouses in Overseas
Markets



**>170 Countries and
Regions**
Coverage of Yiwu Pay
Services

Notes:

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

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

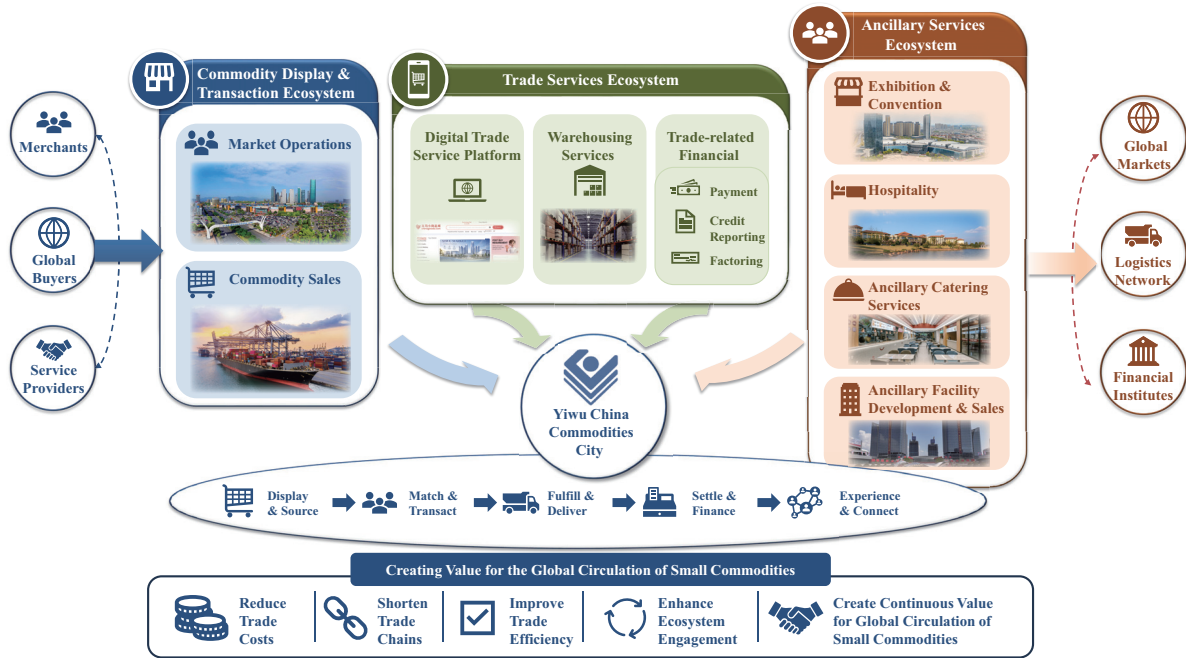
(3) As of December 31, 2025.

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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

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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.

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- *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.

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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.

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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

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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.

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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.

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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.

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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.

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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–

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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.

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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

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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.

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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.

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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	%
<i>(RMB in thousands, except for percentages)</i>						
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.

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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.

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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.

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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.

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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.

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

<i>Lease term, renewal and termination</i>	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.
<i>Use of booth</i>	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.
<i>Fees and payment</i>	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.
<i>Sublease and transfer</i>	Subleasing or transfer is not permitted without our prior consent and shall be in compliance with applicable marketplace management rules.
<i>Merchant compliance</i>	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

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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.

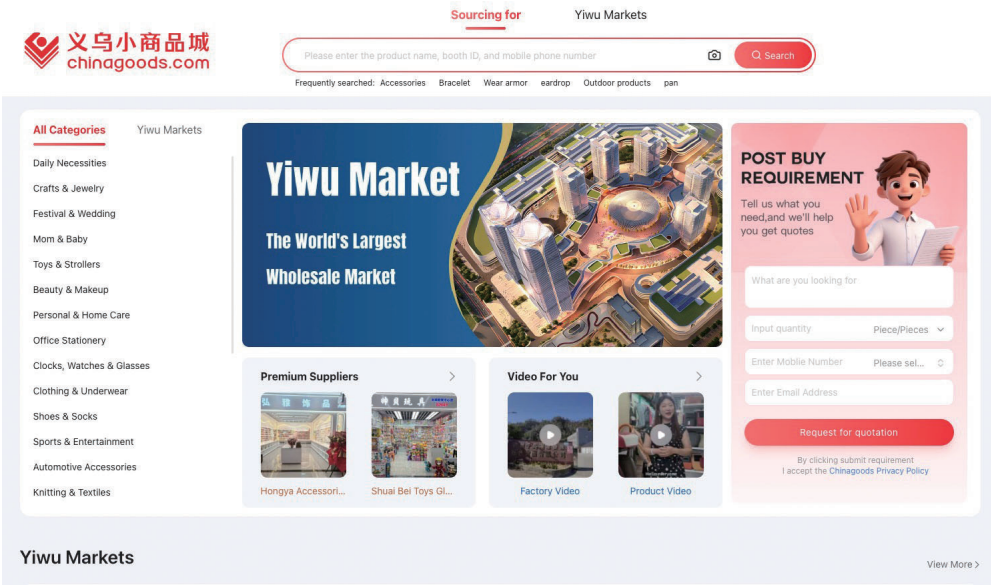
Digital Trade Services

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

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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.

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- *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.

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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.

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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.

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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 overseas 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

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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:

<i>Term</i>	Remain in force unless terminated according to the agreement.
<i>Service Scope</i>	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.
<i>Fees and Pricing</i>	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.
<i>Indemnification</i>	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.
<i>Termination</i>	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.

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- *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.”

Pricing Policy

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.

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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

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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.

Risk Management

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.

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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.

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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.

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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:

<i>Product Specifications</i>	Each sales contract specifies the product type, specifications or grade, quantity, pricing basis and total consideration, as agreed by the parties.
<i>Payment and Delivery</i>	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.
<i>Pricing</i>	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.
<i>Quality Control</i>	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.
<i>Product Return</i>	No returns or exchanges are allowed unless the products are confirmed non-conforming within the agreed quality acceptance period.
<i>Termination</i>	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.

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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.

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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

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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.

Partner-Operated Stores

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:

<i>Duration and Termination</i>	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.
<i>Branding and Store Establishment</i>	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.
<i>Inventory Management</i>	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.

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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

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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 intricate 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.

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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:

<u>Name</u>	<u>Description</u>	<u>Number of Rooms</u>	<u>Business model</u>
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 (璟悅大畷民宿)	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

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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.

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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.

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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.

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- **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.

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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	
— <i>Digital Trade Services</i>	Merchants mainly in China
— <i>Warehousing Services</i>	Warehouse tenants mainly in China, Spain and the Czech Republic
— <i>Trade-Related Financial Services</i>	Merchants, buyers visiting our markets, local financial institutions mainly in China
Commodity Sales	
— <i>Domestic and Cross-Border Trading</i>	Trading partners mainly in China
— <i>New Retail Operations</i>	End consumers mainly in China
Ancillary Services	
— <i>Exhibition and Convention Services</i>	Exhibitors, trade associations mainly in China
— <i>Hospitality and Ancillary Catering Services</i>	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.

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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%	

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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				<u>4,167,706</u>	<u>36.9%</u>	

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

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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%	

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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				<u>2,222,402</u>	<u>29.1%</u>	

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.

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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.

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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.

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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,

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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

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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

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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

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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.

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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.

Energy Type	Unit	For the year ended December 31,		
		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.

Indicator	Unit	For the year ended December 31,		
		2023	2024	2025
Scope 1 Emissions	tCO ₂ e	3,380.27	3,850.07	4,849.05
Scope 2 Emissions	tCO ₂ e	124,698.76	141,284.68	165,531.19
Total	tCO ₂ e	128,079.03	145,134.75	170,380.24
Emissions Intensity	kgCO ₂ e/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.

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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:

- 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.
- 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.

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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

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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.

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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,

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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,

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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

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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.”

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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

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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.

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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

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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

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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.

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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.

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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

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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.

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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

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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.

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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.

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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.

BUSINESS

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 (中國證券網)
2025	Investor Relations Management Pegasus Award (投資者關係管理天馬獎)	Securities Times (證券時報)
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 (證券之星)
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)

CONNECTED TRANSACTIONS

OVERVIEW

We have, in our ordinary and usual course of business, entered into certain transactions with entities that will become our connected persons (as defined under Chapter 14A of the Listing Rules) upon [REDACTED]. Such transactions will continue after the [REDACTED] and will therefore constitute our continuing connected transactions under the Listing Rules.

OUR CONNECTED PERSON

The following entities will become our connected persons (as defined under Chapter 14A of the Listing Rules) upon [REDACTED] and have entered into certain transactions with us which will constitute continuing connected transactions under Chapter 14A of the Listing Rules:

Names of our connected person	Connected Relationship
CCC Holdings and its associates (excluding our Group and MD Group) (“ CCC Holdings Connected Persons ”)	CCC Holdings is one of our Controlling Shareholders.
MD Group and its associates (excluding our Group and CCC Holdings Connected Persons) (“ MD Group Connected Persons ”)	MD Group is one of our Controlling Shareholders.

FULLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We have entered or may enter into the following transactions with our connected persons on normal commercial terms, which may continue after the [REDACTED]:

- (1) provision of employee benefits package and system development services to CCC Holdings Connected Persons. The prices for the products offered shall be generally in line with the prices as we sell to other Independent Third Parties in the ordinary and usual course of business, and determined based on arm’s length negotiations between the parties with reference to the type and specification of products. The pricing of the services shall be determined after arm’s length negotiations between the parties, with reference to, among others, the complexity and scope of services required, the cost incurred in developing the system and the prevailing market prices.
- (2) provision of laundry services to MD Group Connected Persons. The pricing of the services shall be determined after arm’s length negotiations between the parties, with reference to, among others, the operational cost of services and service fee charged to Independent Third Party for similar services.
- (3) provision of hotel and market management service to MD Group Connected Persons and/or CCC Holdings Connected Persons, pursuant to which we are fully entrusted to manage and operate certain hotels and market owned by MD Group Connected Persons and/or CCC Holdings Connected Persons, such that our Controlling Shareholders will not engage in any market operation or other competing business. The pricing of the services shall be determined after arm’s length negotiations between the parties, with reference to, among others, the operating performance of the relevant hotels and market and/or the operational cost of services.

CONNECTED TRANSACTIONS

- (4) lease of properties to CCC Holdings Connected Persons and MD Group Connected Persons for use as office premises and/or car parking places. The pricing of the services shall be determined after arm’s length negotiations between the parties, with reference to, among others, the prevailing market rates of relevant fees for properties of comparable size and quality situated in the same locality available.

As the highest applicable percentage ratio for each of the abovementioned transactions for the purpose of Chapter 14A of the Listing Rules will be less than 0.1% on an annual basis, each of such transactions will constitute a de minimis continuing connected transaction of our Company pursuant to Rule 14A.76(1) of the Listing Rules that will be fully exempt from reporting, annual review, announcement, circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS SUBJECT TO REPORTING, ANNUAL REVIEW AND ANNOUNCEMENT REQUIREMENTS

In our ordinary and usual course of business, we have entered into the following transactions, of which, as our Directors currently expect, the highest applicable percentage ratio calculated for the purpose of Chapter 14A of the Listing Rules will be more than 0.1% but less than 5% on an annual basis. Accordingly, the transactions contemplated thereunder will be subject to the reporting, annual review, announcement requirements but exempt from the circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76 of the Listing Rules.

Procurement of services from CCC Holdings Connected Persons

We entered into a procurement of services framework agreement with CCC Holdings on [●] (the “**CCC Holdings Services Framework Agreement**”), pursuant to which our Group may from time to time procure certain services from CCC Holdings Connected Persons, including but not limited to property management, greening maintenance and construction management services. The initial term of the CCC Holdings Services Framework Agreement shall commence on the [REDACTED] until [December 31, 2028], subject to renewal by mutual consent. The parties will enter into separate underlying agreements which will set out the specific terms and conditions for the procurement of services under the CCC Holdings Services Framework Agreement.

Pricing Policies

The prices for the relevant services shall be determined between CCC Holdings Connected Persons and us after arm’s length negotiations, taking into account the type of services required, the relevant labor costs and the prevailing market price of similar services, and shall not be less favorable than those for transactions between our Group and Independent Third Parties under the same conditions.

Reasons for the transactions

In the ordinary and usual course of our business, we require a range of supporting services for the daily operation, management and maintenance as well as construction of our large-scale commodities wholesale market premises and related properties, including but not limited to property management, greening maintenance and construction management services. We have historically procured such supporting services from suppliers including CCC Holdings Connected Persons. Through this established commercial relationship, CCC Holdings Connected Persons have acquired a deep understanding of the specific operational requirements of our markets and are able to provide high-quality, reliable and competitively priced services that are well suited to our needs.

CONNECTED TRANSACTIONS

Procurement of these supporting services from CCC Holdings Connected Persons enables our Group to enhance the operational efficiency and achieve economies of scale from their existing operational support resources and infrastructure. At the same time, it reduces our administrative and procurement costs compared with sourcing similar services from a diverse range of independent third-party providers.

Historical amounts

The transaction amount for our procurement of services from CCC Holdings Connected Persons for each of the years ended December 31, 2023, 2024 and 2025 are as follows:

	For the year ended December 31,		
	2023	2024	2025
	(RMB in millions)		
Procurement of services from CCC Holdings Connected Persons	192.5	220.5	288.3

Annual caps

The total transaction amount under the CCC Holdings Services Framework Agreement for the three years ending December 31, 2026, 2027 and 2028 shall not exceed the proposed annual caps as set out in the table below. The proposed annual caps are subject to the renewal of underlying agreements and the relevant bidding process.

	For the year ending December 31,		
	2026	2027	2028
	(RMB in millions)		
Procurement of services from CCC Holdings Connected Persons	[422.0]	[424.0]	[417.0]

Basis of caps

The proposed annual caps for the transactions contemplated under the CCC Holdings Services Framework Agreement have been determined with reference to (i) the historical transaction amounts and the growing trend during the Track Record Period; (ii) the estimated transaction amounts based on existing contracts or arrangements between our Group and CCC Holdings Connected Persons; (iii) the substantial increase in demand for the property management services arising from our extended cooperation arrangements with the CCC Holdings Connected Persons for our newly developed markets; and (iv) the progress and expected completion schedule of our construction project. While the overall demand for supporting services is expected to increase in line with our business expansion, the need for construction-related services is expected to decrease in 2028 as our major construction project is expected to approach completion.

Procurement of services from MD Group Connected Persons

We entered into a procurement of services framework agreement with MD Group on [●] (the “**MD Group Services Framework Agreement**”), pursuant to which our Group may from time to time procure certain services from MD Group Connected Persons, including but not limited to security service, catering and conferencing related services. The initial term of the MD Group Services Framework Agreement shall commence on the [REDACTED] until [December 31, 2028], subject to

CONNECTED TRANSACTIONS

renewal by mutual consent. The parties will enter into separate underlying agreements which will set out the specific terms and conditions for the procurement of services under the MD Group Services Framework Agreement.

Pricing Policies

The prices for the relevant services shall be determined between MD Group Connected Persons and us after arm’s length negotiations, taking into account the type of services required, the relevant labor costs, and the prevailing market price of similar services, and shall not be less favorable than those for transactions between our Group and Independent Third Parties under the same conditions.

Reasons for the transactions

In the ordinary and usual course of our business, we require a range of supporting services for the smooth operation, security and management of our exhibition and conference events as well as hotel operations, including but not limited to exhibition security services, catering and conferencing related services. We have historically procured such supporting services from suppliers including MD Group Connected Persons. Procurement of these services from MD Group Connected Persons reduces our administrative and procurement costs compared with sourcing similar services from a diverse range of third-party providers. Through this established commercial relationship, MD Group Connected Persons have acquired a deep understanding of our specific operational requirements and are able to provide stable and reliable services that are well suited to our needs. We believe MD Group Connected Persons are capable of delivering such services in a stable, timely and effective manner that consistently meets our quality, security and operational standards.

Historical amounts

The transaction amount for our procurement of services from MD Group Connected Persons for each of the years ended December 31, 2023, 2024 and 2025 are as follows:

	For the year ended December 31,		
	2023	2024	2025
	(RMB in millions)		
Procurement of services from MD Group			
Connected Persons	17.3	20.2	22.0

Annual caps

The total transaction amount under the MD Group Services Framework Agreement for the three years ending December 31, 2026, 2027 and 2028 shall not exceed the proposed annual caps as set out in the table below. The proposed annual caps are subject to the renewal of underlying agreements and the relevant bidding process.

	For the year ending December 31,		
	2026	2027	2028
	(RMB in millions)		
Procurement of services from MD Group			
Connected Persons	[24.0]	[24.0]	[24.0]

CONNECTED TRANSACTIONS

Basis of caps

The proposed annual caps for the transactions contemplated under the MD Group Services Framework Agreement have been determined with reference to (i) the historical transaction amounts during the Track Record Period and (ii) the estimated demand of our Group for services provided by MD Group Connected Persons for the three years ending December 31, 2028, which is expected to remain stable taking into account the anticipated number, frequency and scale of exhibitions and conferences to be hosted at our premises.

INTERNAL CONTROL MEASURES

In order to safeguard the interests of the Shareholders as a whole (including the minority Shareholders), our Group has implemented the following internal control measures in relation to the continuing connected transactions. Our Group adopts the following internal control measures to ensure that the transactions will be carried out in accordance with the terms of the CCC Holdings Services Framework Agreement and the MD Group Services Framework Agreement (the “**Services Framework Agreements**”), including the pricing policies, and in compliance with all the applicable requirements under the Listing Rules:

- we have adopted a connected transactions management policy for the purpose of ensuring that our connected transactions under the Services Framework Agreements will be conducted in a fair manner, on normal commercial terms and in the interests of our Company and our Shareholders as a whole.
- prior to the execution of the connected transactions underlying agreements under the Services Framework Agreements, the operation function departments of the relevant business sector of our Group will compare the terms of the proposed transactions (including pricing and other contractual terms) with those similar transactions entered with Independent Third Parties or the terms offered to Independent Third Parties (as the case may be) to ensure that the terms of such connected transaction agreements under the Services Framework Agreements shall be no less favourable to our Group than those offered by our Group to Independent Third Parties.
- our independent non-executive Directors and auditors will conduct annual review of the continuing connected transactions under the framework agreements entered into by our Company and provide annual confirmations in accordance with Rules 14A.55 and 14A.56 of the Listing Rules, and our Company will provide information and supporting documents to the independent non-executive Directors and the auditors to facilitate their annual review.
- when considering any renewal or revisions to the agreements after the [REDACTED], the interested Directors and Shareholders shall abstain from voting on the resolutions to approve such transactions at board meetings or shareholders’ general meetings (as the case may be). If the independent Directors’ or independent Shareholders’ approvals cannot be obtained, we will not continue the transactions under the framework agreement(s) to the extent that they constitute non-exempt continuing connected transactions under Rule 14A.35 of the Listing Rules.

CONNECTED TRANSACTIONS

WAIVER

As the non-exempt continuing connected transactions contemplated under the Services Framework Agreements are expected to continue on a recurring and continuing basis and have been fully disclosed in this Document, our Directors consider that compliance with the announcement requirement would be impractical, and such requirement would lead to unnecessary administrative costs and would be unduly burdensome to us.

Accordingly, we have applied for, and the Stock Exchange [has] granted us, a waiver from strict compliance with the announcement requirement under the Listing Rules pursuant to Rule 14A.105 of the Listing Rules in respect of the transactions contemplated under the Services Framework Agreements, subject to the condition that the aggregate amounts of such continuing connected transactions for each financial year shall not exceed the relevant amounts set forth in the annual caps (as stated above).

DIRECTORS’ CONFIRMATION

Our Directors (including independent non-executive Directors) are of the view that: (i) the non-exempt continuing connected transactions set out above have been and will be entered into in our ordinary and usual course of business on normal commercial terms or better, on terms that are fair and reasonable, and in the interests of our Company and our Shareholders as a whole, and (ii) the proposed annual caps for these transactions are fair and reasonable and in the interests of our Company and the Shareholders as a whole.

JOINT SPONSORS’ CONFIRMATION

The Joint Sponsors have (i) reviewed the relevant documents and information provided by our Company in relation to the above non-exempt continuing connected transactions; (ii) obtained necessary representations and confirmations from our Company and the Directors, and (iii) participated in the due diligence and discussions with the management of our Group.

Based on the above, the Joint Sponsors are of the view that the aforesaid partially-exempt continuing connected transactions, for which a waiver has been sought, have been entered into in the ordinary and usual course of our business on normal commercial terms or better terms, are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and that the proposed annual caps in respect of the non-exempt continuing connected transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Our Board consists of 10 Directors, including four executive Directors, two non-executive Directors and four independent non-executive Directors. Directors serve a term of three years and may be re-elected for successive reappointments.

The following table sets forth general information regarding our Directors:

Name	Age	Position(s)	Time of first joining our Group	Date of appointment as a Director	Roles and responsibilities
Executive Directors					
Mr. CHEN Dezhan (陳德占)	55	Executive Director and chairperson of the Board	September 1999	July 21, 2025	Responsible for the formulation of the overall strategic planning of our Group and presiding over the Board affairs
Mr. BAO Hua (包華)	44	Executive Director, vice chairperson of the Board and general manager	November 2017	February 18, 2025	Responsible for overall operations, management and business development of our Group
Mr. WANG Xiangrong (王向榮)	42	Executive Director (Employee representative Director)	May 2005	October 24, 2025	Responsible for the overall management of our on-site market operation
Mr. XU Hang (許杭)	53	Executive Director, Board secretary and joint company secretary	May 2007	December 29, 2017	Responsible for information disclosure, corporate governance and investor relations of our Group
Non-executive Directors					
Mr. WU Xiubin (吳秀斌)	55	Non-executive Director	January 2007	July 21, 2025	Responsible for providing advice to the Board
Ms. LIU Xiaojing (劉曉婧)	36	Non-executive Director	September 2024	September 2, 2024	Responsible for providing advice to the Board
Independent non-executive Directors					
Dr. WONG Kennedy Ying-ho (黃英豪)	63	Independent non-executive Director	April 2026	April 7, 2026	Responsible for supervising and offering independent judgment to the Board
Mr. HUANG Zhongwei (黃鍾偉)	40	Independent non-executive Director	[●]	[●]	Responsible for supervising and offering independent judgment to the Board

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position(s)	Time of first joining our Group	Date of appointment as a Director	Roles and responsibilities
Mr. ZHANG Chenghong (張成洪)	58	Independent non-executive Director	December 2025	December 19, 2025	Responsible for supervising and offering independent judgment to the Board
Mr. LUO Jinming (羅金明)	58	Independent non-executive Director	April 2021	April 9, 2021	Responsible for supervising and offering independent judgment to the Board

Executive Directors

Mr. CHEN Dezhan (陳德占), aged 55, is our executive Director and chairperson of the Board. Mr. Chen first joined our Group in September 1999 and successively served as a deputy general manager and general manager of Zhejiang China Commodities City Group Co., Ltd. Shangcheng Hotel (浙江中國小商品城集團股份有限公司商城賓館) from September 1999 to June 2002; as the general manager of Zhejiang China Commodities City Group Co., Ltd. Yindu Hotel (浙江中國小商品城集團股份有限公司銀都酒店) from June 2002 to April 2004; as the general manager of Zhejiang China Commodities City Group Co., Ltd. Ocean Hotel (浙江中國小商品城集團股份有限公司海洋酒店) from April 2004 to August 2007; and as the head of the office of our Company from August 2007 to May 2009. Mr. Chen rejoined our Group in June 2025 as the party secretary of our Company and has served as the chairperson of the Board since July 2025.

Mr. Chen has extensive experience in corporate management. He served at Zhejiang Tonghui Commercial Management Co., Ltd. (浙江通匯商業管理有限公司) (formerly known as Zhejiang Tonghui Co., Ltd. (浙江通匯股份有限公司)) from August 1993 to May 1996, with his last position as the manager of the cultural and sports department. He then served as the manager at Tonghui Hotel of Zhejiang Tonghui Co., Ltd. (浙江通匯股份有限公司通匯賓館) from May 1996 to September 1999. From May 2009 to September 2013, he served as a member of the party committee and a deputy general manager of Yiwu Water Construction Group Co., Ltd. (義烏市水務建設集團有限公司) (formerly known as Yiwu Public Utilities Co., Ltd. (義烏市公用事業有限責任公司)) and concurrently as the chairperson of the board of Yiwu Water Treatment Co., Ltd. (義烏市水處理有限責任公司). He later served as the general manager of Yiwu Construction Investment Group Co., Ltd. (義烏市建設投資集團有限公司) (formerly known as Yiwu Urban and Rural New Community Investment and Construction Co., Ltd. (義烏市城鄉新社區投資建設有限公司)) from September 2013 to January 2014, before returning to Yiwu Water Construction Group Co., Ltd., where he served until December 2020 with his last position as the party secretary and chairperson of the board. From December 2020 to May 2022, he served as the general manager of Yiwu Huading Nylon Co., Ltd. (義烏華鼎錦綸股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601113.SH). He then served as the party secretary and chairperson of the board of Yiwu State-owned Capital Operation Co., Ltd. (義烏市國有資本運營有限公司) from May 2022 to June 2025, and has served as the party secretary and chairperson of the board of CCC Holdings since June 2025.

Mr. Chen obtained a bachelor’s degree in economic law from Northwest University of Political Science and Law (西北政法大學) (formerly known as Northwest Institute of Political Science and Law (西北政法學院)) in the PRC in July 1993. He was recognized as a senior economist by the Department of Human Resources and Social Security of Zhejiang Province (浙江省人力資源和社會保障廳) in October 2023.

DIRECTORS AND SENIOR MANAGEMENT

Mr. BAO Hua (包華), aged 44, is our executive Director, vice chairperson of the Board and general manager. He first joined our Company in November 2017 as a deputy party secretary and served until May 2022. He rejoined our Company in December 2024 as a deputy party secretary. He has served as our general manager since January 2025 and as a Director and vice chairperson of the Board since February 2025.

Mr. Bao has extensive experience in administration and management. He served as a police officer of Yiwu Public Security Bureau (義烏市公安局) from September 2003 to September 2007, and subsequently held various positions at the Commission for Discipline Inspection and Supervision Bureau of Yiwu City (義烏市紀委、監察局) from September 2007 to April 2016, with his last position as the director of the Petition Office. From April 2016 to November 2017, he served as a member of the party committee and secretary of the commission for discipline inspection of Shangxi Town, Yiwu City (義烏市上溪鎮). He later served as a deputy party secretary of CCC Holdings from August 2020 to May 2022. From May 2022 to December 2024, he served at Yiwu Transportation and Tourism Industry Development Group Co., Ltd. (義烏市交通旅遊產業發展集團有限公司) (formerly known as Yiwu Transportation Investment and Construction Group Co., Ltd. (義烏市交通投資建設集團有限公司)), with his last position as the party secretary and chairperson of the board. He then rejoined CCC Holdings as deputy party secretary in December 2024 and has served as a director there since January 2025.

Mr. Bao graduated from People’s Public Security University of China (中國人民公安大學) in the PRC in June 2004, majoring in public security management.

Mr. WANG Xiangrong (王向榮), aged 42, is our executive Director and employee representative Director. Mr. Wang joined our Group in May 2005 and served at Zhejiang China Commodities City Group Co., Ltd. International Trade Mart Third Branch (浙江中國小商品城集團股份有限公司國際商貿城第三分公司) from June 2005 to December 2010, with his last position as a deputy supervisor of the market department. From December 2010 to July 2017, he served at Zhejiang China Commodities City Group Co., Ltd. International Trade Mart Second Branch (浙江中國小商品城集團股份有限公司國際商貿城第二分公司), with his last position as the manager of the market department. He then served at Zhejiang China Commodities City Group Co., Ltd. International Production Materials Market Branch (浙江中國小商品城集團股份有限公司國際生產資料市場分公司) as a deputy general manager from July 2017 to January 2019, and subsequently as the general manager from December 2019 to October 2020. He has served as the general manager of Zhejiang China Commodities City Group Co., Ltd. Market Operation Branch (浙江中國小商品城集團股份有限公司市場運營分公司) since December 2020, and as a member of the party committee and an employee representative Director of our Company since October 2025.

Mr. Wang also served as the secretary-general of Yiwu China Commodity City Chamber of Commerce (義烏市中國小商品城商會) from January 2019 to December 2019.

Mr. Wang obtained a bachelor’s degree in accounting from Zhejiang University of Finance & Economics (浙江財經大學) (formerly known as Zhejiang Institute of Finance & Economics (浙江財經學院)) in the PRC in June 2005.

Mr. XU Hang (許杭), aged 53, is our executive Director, Board secretary, and joint company secretary. Mr. Xu joined our Company in May 2007 and successively served as a business manager of the securities department, a securities affairs representative, a deputy manager and a manager of the investment and securities department of our Company until December 2017. He has served as our Director and Board secretary since December 2017.

DIRECTORS AND SENIOR MANAGEMENT

Prior to joining our Company, he served as a system administrator of the IT department at Jinhua Trust Investment Co., Ltd., Yiwu Office (金華市信託投資股份有限公司義烏營業部) from August 1994 to January 2001. He then successively served as the manager of the IT department and an assistant to the general manager at Jinxin Securities Co., Ltd., Yiwu Road Securities Business Department (金信證券義烏路營業部) from January 2001 to April 2005. From April 2005 to April 2007, he served as an assistant to the general manager of Zheshang Securities Co., Ltd., Quzhou Shangjie Securities Business Department (浙商證券衢州上街營業部).

Mr. Xu obtained a bachelor’s degree in communication engineering from Guilin University of Electronic Technology (桂林電子科技大學) (formerly known as Guilin Institute of Electronic Industry (桂林電子工業學院)) in the PRC in June 1994.

Non-executive Directors

Mr. WU Xiubin (吳秀斌), aged 55, is our non-executive Director.

Mr. Wu held various roles at Yiwu Real Estate Comprehensive Development General Company (義烏市房地產綜合開發總公司) from August 1992 to February 2007, with his last position as an assistant to the general manager. He then served as a manager of the engineering department of the construction office of Phase III of Yiwu International Trade City (義烏市國際商貿城三期市場建設辦) from February 2007 to November 2008; as a deputy director of the construction office of Yiwu International Trade City Long-distance Passenger Transport Center (義烏市國際商貿城長途客運中心建設辦) from November 2008 to May 2009; as the manager of the project construction department of Yiwu State-owned Assets Operation Company (義烏市國有資產經營公司) from May 2009 to October 2013, and concurrently as the general manager of Yiwu Construction Public Works Management Co., Ltd. (義烏市建設工務管理有限公司) from March 2011 to October 2013; and as a member of the party committee and a deputy general manager of Yiwu Construction Investment Group Co., Ltd. (義烏市建設投資集團有限公司) (formerly known as Yiwu Urban and Rural New Community Investment and Construction Group Co., Ltd. (義烏市城鄉新社區投資建設集團有限公司)) from October 2013 to June 2019. He served as a member of the party committee and a deputy general manager of our Company from June 2019 to May 2022, and concurrently as a member of the party committee of CCC Holdings from August 2020 to May 2022. From May 2022 to June 2025, he served as the deputy party secretary, vice chairperson and general manager of Yiwu City Investment Construction Group Co., Ltd. (義烏市城市投資建設集團有限公司). He has served as a director of Yiwu Construction Investment Group Co., Ltd. (義烏市建設投資集團有限公司) since June 2025.

Mr. Wu graduated from Chongqing Jiaotong University (重慶交通大學) in the PRC in June 2004, majoring in traffic civil engineering.

Ms. LIU Xiaojing (劉曉婧), aged 36, is our non-executive Director.

Ms. Liu has extensive experience in investment and financing. Prior to joining our Group, she served as a wealth management planner at China Securities Co., Ltd. (中信建投證券股份有限公司), a company listed on the Stock Exchange (stock code: 6066.HK) and on the Shanghai Stock Exchange (stock code: 601066.SH), from June 2016 to November 2018; as a securities affairs representative at Hexing Electrical Co., Ltd. (杭州海興電力科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603556.SH), from December 2018 to April 2021; and as an investment and financing manager at Geely Juneng (Zhejiang) Technology Co., Ltd. (吉利聚能(浙江)科技有限公司) from April 2021 to April 2022. Ms. Liu has served as a senior manager of the investment operations department at Zhejiang Zhecai Capital Management Co., Ltd. (浙江浙財資本管理有限公司) since August 2022.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Liu obtained a bachelor’s degree in applied chemistry and a master’s degree in chemical engineering and technology from Hainan University (海南大學) in the PRC in June 2013 and June 2016, respectively.

Independent non-executive Directors

Dr. WONG Kennedy Ying-ho (黃英豪), aged 63, is our independent non-executive Director.

Dr. Wong has served as the managing partner of Philip K.H. Wong, Kennedy Y.H. Wong & Co. since November 1990. He served as a member of the National Committee of the Chinese People’s Political Consultative Conference from March 2003 to March 2023, and as a member of the Legislative Council of Hong Kong from January 2022 to December 2025. He has served as a deputy to the National People’s Congress of the PRC since March 2023 and as the Chairman of the Council and the Court of Hong Kong Baptist University (香港浸會大學) since January 2025.

Dr. Wong obtained a bachelor’s degree in law in July 1984 from the University of Kent in England, an honorary degree of doctor of civil law in July 2007 from the University of Kent in England, and an honorary degree of doctor of laws in November 2013 from Hong Kong Baptist University in Hong Kong. He was admitted as a solicitor of the Supreme Court of Hong Kong in February 1988 and was appointed as an attesting officer by the Ministry of Justice of the PRC in September 1993. He was named one of the Ten Outstanding Young Persons of Hong Kong in October 1998 and one of the Ten Outstanding Young Persons of the World in October 2003. He was appointed as a Justice of the Peace in July 2002 and awarded the Bronze Bauhinia Star in July 2005.

Mr. HUANG Zhongwei (黃鍾偉), aged 40, is proposed to be appointed as our independent non-executive Director.

Mr. Huang served as a senior lecturer in accounting at City, University of London from September 2015 to June 2021. Since June 2021, he has served as an associate professor in the Department of Accounting, School of Management, Fudan University (復旦大學管理學院). He has served as an independent director of Three Squirrels Inc. (三隻松鼠股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300783.SZ), since December 2021, and Shanghai Shibe Hi-Tech Co., Ltd. (上海市北高新股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600604.SH), since January 2024.

Mr. Huang obtained a bachelor’s degree and a master’s degree both in Accounting from Xiamen University (廈門大學) in the PRC in July 2008 and June 2010, and a doctoral degree in management science from ESSEC Business School in France in October 2015. He has been a member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) since December 2013.

Mr. ZHANG Chenghong (張成洪), aged 58, is our independent non-executive Director.

Mr. Zhang has served at the School of Management, Fudan University (復旦大學管理學院) from March 1996, serving as an associate professor since May 1999 and as a professor of the Department of Information Management and Business Intelligence since September 2011. He was a visiting scholar at the MIT Sloan School of Management in the United States from August 1998 to December 1998 and from February 2001 to March 2001. He also served as a deputy director of the Information Office of Fudan University (復旦大學信息化辦公室) and the director of the Information Center of Fudan University (復旦大學信息中心) from May 2002 to August 2005.

Mr. Zhang obtained a bachelor’s degree and a doctoral degree in computer software from Fudan University (復旦大學) in the PRC in July 1990 and January 1996, respectively.

DIRECTORS AND SENIOR MANAGEMENT

Mr. LUO Jinming (羅金明), aged 58, is our independent non-executive Director.

Mr. Luo has extensive academic experience in accounting and auditing. From January 2011 to June 2025, he successively served as the director of the audit office, the party secretary and the vice dean of the School of Accounting at Zhejiang Gongshang University (浙江工商大學). He also served as an independent director of (i) Riyue Heavy Industry Co., Ltd. (日月重工股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603218.SH), from June 2017 to July 2023, (ii) Hangxiao Steel Structure Co., Ltd. (杭蕭鋼構股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600477.SH), from May 2019 to June 2025, (iii) Wanyuan Ecological Co., Ltd. (萬源生態股份有限公司), a company listed on the National Equities Exchange and Quotations (stock code: 835654.NQ), from October 2021 to April 2023, and (iv) Ningbo Future Houseware Co., Ltd. (寧波前程傢俱股份有限公司), a company listed on the National Equities Exchange and Quotations (stock code: 834282.NQ), from June 2021 to February 2024. He has served as an independent director of Chengbang Eco-Environment Co., Ltd. (誠邦生態環境股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603316.SH), since May 2023.

Mr. Luo obtained a bachelor’s degree in accounting from North China University of Technology (北方工業大學) in June 1990 and completed the postgraduate programme in accounting at Jiangxi University of Finance and Economics (江西財經大學) in July 2001 in the PRC. He has been a member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) since March 2010.

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management of our business. The following table provides information about members of our senior management:

Name	Age	Position(s)	Time of first joining our Group	Date of appointment as a senior management	Roles and responsibilities
Mr. BAO Hua (包華)	44	Executive Director, vice chairperson of the Board and general manager	November 2017	January 26, 2025	Responsible for overall operations, management and business development of our Group
Mr. WU Gang (吳剛)	44	Deputy general manager	August 2025	September 8, 2025	Responsible for assisting in the daily operations and management of our Group
Mr. YANG Liqiang (楊立強)	52	Deputy general manager	July 2020	December 19, 2025	Responsible for hotel operations and other daily operations of our Group
Mr. SHOU Shengdi (壽升第)	53	Deputy general manager	September 2021	November 4, 2021	Responsible for assisting in the daily operations and management of our Group
Mr. GONG Chenghao (龔聘昊)	45	Deputy general manager	July 2004	September 29, 2021	Responsible for digital transformation, supply chain management and data-driven operations of our Group

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position(s)	Time of first joining our Group	Date of appointment as a senior management	Roles and responsibilities
Mr. WANG Zhengchao (王正超)	40	Deputy general manager	March 2010	February 28, 2026	Responsible for assisting in the daily operations and management of our Group
Mr. WANG Xiangrong (王向榮)	42	Executive Director (Employee representative Director)	May 2005	October 24, 2025	Responsible for the overall management of our on-site market operation
Ms. SUN Tian (孫甜)	44	Deputy general manager	August 2005	May 11, 2026	Responsible for convention and exhibition segment and daily operations of our Group
Mr. XU Hang (許杭)	53	Executive Director, Board secretary and joint company secretary	May 2007	December 29, 2017	Responsible for information disclosure, corporate governance and investor relations of our Group
Ms. ZHAO Difang (趙笛芳)	53	Chief financial officer	August 1994	May 12, 2014	Responsible for the overall financial management of our Group

Mr. BAO Hua (包華) is our executive Director, vice chairperson of the Board and general manager. See “— Directors — Executive Directors” in this section for his biographical details.

Mr. WU Gang (吳剛), aged 44, is our deputy general manager. Mr. Wu joined our Company in August 2025 as our deputy party secretary and has been our deputy general manager since September 2025.

Prior to joining our Company, he served in various positions at Yiwu Public Security Bureau of Zhejiang Province (浙江省義烏市公安局) from September 2002 to August 2025, with his last positions as a member of the party committee, director of the office and a level-four senior police superintendent.

Mr. Wu graduated from People’s Public Security University of China (中國人民公安大學) in the PRC in July 2002, majoring in security and protection engineering.

Mr. YANG Liqiang (楊立強), aged 52, is our deputy general manager. Mr. Yang joined our Company in July 2020 as a member of the party committee and secretary of the commission for discipline inspection, and has been our deputy general manager since December 2025.

Prior to joining our Company, he served at Yiwu Survey and Mapping Institute (義烏市勘察測繪院) from August 1994 to October 1997. He then served in various positions in the family planning and health authorities of Yiwu City from October 1997 to June 2017, with his last position as a member of the party committee and a deputy director of Yiwu Municipal Health and Family Planning Commission (義烏市衛生和計劃生育委員會). From June 2017 to July 2020, he served as a member of the party committee and a deputy general manager of Zhejiang Hengfeng Group Co., Ltd. (浙江恒風集團有限公司).

DIRECTORS AND SENIOR MANAGEMENT

Mr. Yang obtained a bachelor’s degree in statistics from Hangzhou University (杭州大學) in the PRC in July 1994.

Mr. SHOU Shengdi (壽升第), aged 53, is our deputy general manager. Mr. Shou joined our Company in September 2021 and has been a member of the party committee since then. He has been our deputy general manager since November 2021.

Prior to joining our Company, he served at Yiwu Central Hospital (義烏市中心醫院) from August 1993 to September 2005 and at Yiwu Comprehensive Administrative Law Enforcement Bureau (義烏市綜合行政執法局) from September 2005 to September 2007. He then served at Yiwu Bureau of Commerce (義烏市商務局) from September 2007 to September 2021, with his last positions as a deputy director and a member of the party committee.

Mr. Shou graduated from University of International Business and Economics (對外經濟貿易大學) in the PRC in July 2006, majoring in international trade.

Mr. GONG Chenghao (龔聘昊), aged 45, is our deputy general manager. Mr. Gong joined our Group in July 2004 and held various roles in our Company from July 2004 to December 2007, with his last position as an office business deputy supervisor. He then served at Yiwu China Commodities City Information Technology Co., Ltd. (義烏中國小商品城信息技術有限公司) from December 2007 to March 2019, with his last positions as general manager and manager of the group information center. From March 2019 to August 2021, he served as the general manager of Yiwu China Commodities City Supply Chain Management Co., Ltd. (義烏中國小商品城供應鏈管理有限公司). He has served as a member of the party committee and a deputy general manager of our Company since September 2021. He has served as the executive director and general manager of CCC Big Data since November 2021.

Mr. Gong obtained a bachelor’s degree in international economics and trade from Northern Jiaotong University (北方交通大學) in the PRC in June 2002, and a master’s degree in economics from University of Groningen in the Netherlands in August 2004.

Mr. WANG Zhengchao (王正超), aged 40, is our deputy general manager. Mr. Wang joined our Group in March 2010 and served at Zhejiang China Commodities City Group Co., Ltd. International Trade City Third Branch (浙江中國小商品城集團股份有限公司國際商貿城第三分公司) from March 2010 to May 2016, with his last position as an office logistics business supervisor. From May 2016 to December 2018, he served at the human resources department of our Company, with his last position as a business supervisor. From December 2018 to December 2019, he served at the office of our Company, with his last position as a documentation supervisor. He then served as a deputy general manager of the innovation business department of our Company from December 2019 to October 2020, and as a deputy general manager of Zhejiang China Commodities City Group Co., Ltd. International Production Materials Market Branch (浙江中國小商品城集團股份有限公司國際生產資料市場分公司) from October 2020 to February 2022. From February 2022 to October 2024, he served as the director of the office of our Company, and concurrently as the general manager of Yiwu Digital Port Technology Co., Ltd. (義烏數字港科技有限公司) and as the general manager of the human resources department (party building office) of our Company until December 2022. He has served as a member of the party committee of our Company since April 2024, as the general manager of the strategy and development reform department of our Company from October 2024 to January 2026, and as our deputy general manager since February 2026.

Prior to joining our Group, he served as a mobile game development programmer at Zhile Software (Beijing) Co., Ltd. (智樂軟件(北京)有限公司) from July 2007 to May 2009, and as a college-graduate village official at Shangjing Work Area of Choucheng Subdistrict, Yiwu (義烏市稠城街道尚經工作片大學生村官) from October 2009 to March 2010.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Wang obtained a bachelor’s degree in information and computing science from China University of Mining and Technology (中國礦業大學) in the PRC in July 2007, and a master’s degree in industrial economics from Central University of Finance and Economics (中央財經大學) in the PRC in December 2019.

Mr. WANG Xiangrong (王向榮) is our employee representative Director. See “— Directors — Executive Directors” in this section for his biographical details.

Ms. SUN Tian (孫甜), aged 44, is our deputy general manager. Ms. Sun first joined our Group in August 2005 as the head of the external liaison department of Zhejiang China Commodities City Group Co., Ltd. International Expo Center (浙江中國小商品城集團股份有限公司國際博覽中心) from August 2005 to December 2005. She then served at Yiwu China Commodities City Exhibition Co., Ltd. (義烏中國小商品城展覽有限公司) from December 2005 to October 2014, with her last position as a deputy general manager. From October 2014 to January 2016, she served as a deputy general manager of Yiwu International Small Commodities Exposition Company Limited (義烏國際小商品博覽會有限公司). From June 2020 to September 2023, she served as the general manager of Yiwu Comprehensive Bonded Zone Operation Management Co., Ltd. (義烏綜合保稅區運營管理有限公司). She has served as a member of the party committee of our Company since April 2026 and as a deputy general manager since May 2026.

Ms. Sun served as the general manager of Yiwu International Lugang Group Co., Ltd. Information Branch (義烏市國際陸港集團有限公司信息分公司) from January 2016 to September 2019, and as the general manager of Yiwu Lugang Information Technology Co., Ltd. (義烏市陸港信息技術有限公司) from September 2019 to June 2020. From September 2023 to November 2025, she served as the director of the Third Investment Promotion Bureau (Comprehensive Bonded Zone Administration Bureau) of the Administrative Committee of Yiwu Free Trade Development Zone (義烏自由貿易發展區管委會招商三局 (綜保區管理局)). From November 2025 to April 2026, she then served as the director of the Comprehensive Coordination Bureau (Comprehensive Bonded Zone Administration Bureau) of the Administrative Committee of Yiwu Free Trade Development Zone (義烏自由貿易發展區管委會自貿試驗區綜合協調局 (綜保區管理局)). She has served as a member of the party committee of CCC Holdings since April 2026.

Ms. Sun obtained a master’s degree in professional communications (advertising) from Edith Cowan University in Australia in September 2005.

Mr. XU Hang (許杭) is our executive Director, Board secretary and joint company secretary. See “— Directors — Executive Directors” in this section for his biographical details.

Ms. ZHAO Difang (趙笛芳), aged 53, is our chief financial officer. Ms. Zhao first joined our Company in August 1994 and successively served as a business specialist and a business manager until December 1999. From January 2000 to December 2000, she served as a finance manager of Yiwu Property Management General Company (義烏市物業管理總公司). She rejoined our Company in January 2001 and successively served as a finance supervisor, a deputy finance manager and a finance manager until April 2014. She has served as our chief financial officer since May 2014.

Ms. Zhao obtained a bachelor’s degree in auditing from Zhejiang University of Finance and Economics (浙江財經大學) (formerly known as Zhejiang Institute of Finance and Economics (浙江財經學院) in the PRC in July 1994.

DIRECTORS AND SENIOR MANAGEMENT

INTERESTS OF DIRECTORS AND SENIOR MANAGEMENT

Save as disclosed above, none of our Directors and senior management had been a director of any public company the securities of which were listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this Document.

As of the Latest Practicable Date, none of our Directors or senior management were related to other Directors or senior management of our Company.

JOINT COMPANY SECRETARIES

Mr. XU Hang (許杭) is our executive Director, Board secretary and joint company secretary. See “— Directors — Executive Directors” in this section for his biographical details.

Mr. WONG Keith Shing Cheung (王承鐔), is one of the joint company secretaries of the Company. Mr. Wong is a Senior Manager of Company Secretarial Services at Vistra Services (Hong Kong) Limited and has over 15 years of experience in corporate governance, company secretarial, and compliance work for companies listed on the Hong Kong Stock Exchange.

He has previously served as the company secretary or joint company secretary of several companies listed on the Stock Exchange, including Linklogis Inc. (stock code: 9959), Shanghai Conant Optical Co., Ltd. (stock code: 2276), InnoCare Pharma Limited (stock code: 9969) and Keymed Biosciences Inc. (stock code: 2162).

Mr. Wong obtained a bachelor’s degree in finance, accounting and management from the University of Nottingham in July 2009. He is a Chartered Secretary and Chartered Governance Professional, a Fellow of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute (UK), and an Associate of the Hong Kong Institute of Certified Public Accountants.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the Corporate Governance Code and the Listing Rules, our Company has formed four Board committees, namely the Audit Committee, the Nomination Committee, the Remuneration and Evaluation Committee and the Strategy and ESG Committee.

Audit Committee

We have established an Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Audit Committee consists of three Directors, namely Mr. HUANG Zhongwei, Mr. ZHANG Chenghong and Mr. WU Xiubin. Mr. HUANG Zhongwei, being the chairperson of the Audit Committee, holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee include, but are not limited to, the following:

- reviewing and evaluating the work of external auditors;
- making recommendations to the Board on the appointment, reappointment and removal of the external auditor;
- monitoring and making recommendations concerning the internal audit work of our Company;

DIRECTORS AND SENIOR MANAGEMENT

- reviewing and making recommendations concerning the financial reports of our Company;
- evaluating the effectiveness of internal control work;
- ensuring coordination between the management, internal audit department and relevant departments and external auditors;
- exercising the powers and functions of the supervisory committee as prescribed under the PRC Company Law; and
- performing other duties and responsibilities as assigned by our Board.

Remuneration and Evaluation Committee

We have established a Remuneration and Evaluation Committee with written terms of reference in compliance with the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Remuneration and Evaluation Committee consists of three Directors, namely Mr. LUO Jinming, Mr. HUANG Zhongwei and Mr. WANG Xiangrong. Mr. LUO Jinming serves as the chairperson of the Remuneration and Evaluation Committee. The primary duties of the Remuneration and Evaluation Committee include, but are not limited to, the following:

- reviewing and approving remuneration proposals of members of our senior management in accordance with our Company’s policies and objectives as approved by our Board from time to time;
- making recommendations to our Board concerning our Company’s policy and structure for all Directors’ and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy, including, but not limited to, performance evaluation standards, procedures and evaluation systems;
- conducting the evaluation of the annual performance of all Directors and senior management;
- monitoring remuneration payable to all Directors and senior management;
- reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules; and
- performing other duties and responsibilities as assigned by our Board.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Nomination Committee consists of three Directors, namely Mr. ZHANG Chenghong, Mr. LUO Jinming and Ms. LIU Xiaojing. Mr. ZHANG Chenghong serves as the chairperson of the Nomination Committee. The primary duties of the Nomination Committee include, but are not limited to, the following:

- reviewing and making recommendations to the Board on the composition and number of our Board and senior management with reference to our Company’s business activities, the scale of assets and shareholding structure;
- identifying individuals suitably qualified to become a member of our Board and senior management, and making recommendations to our Board on the selection of individuals nominated for directorships and senior management;

DIRECTORS AND SENIOR MANAGEMENT

- reviewing the structure and diversity of the Board and selecting individuals to be nominated as Directors;
- accessing and making recommendations to the selection of other senior management appointed by our Board; and
- performing other duties and responsibilities as assigned by our Board.

Strategy and ESG Committee

We have established a Strategy and ESG Committee with written terms of reference in compliance with the requirements under the Listing Rules. The Strategy and ESG Committee consists of two executive Directors, being Mr. CHEN Dezhan and Mr. BAO Hua and one independent non-executive Director, being Mr. ZHANG Chenghong. The chairperson of the Strategy and ESG Committee is Mr. CHEN Dezhan. The primary duties of the Strategy and ESG Committee include, but are not limited to, the following:

- conducting research and making recommendations for the long-term strategic development plans of our Company;
- conducting research and making recommendations for major capital operations and asset operation projects that are subject to the approval of the Board, as well as other major matters affecting the development of our Company;
- conducting research and making recommendations for sustainable development, and ESG related policies;
- conducting research, revising and reviewing the policies of the Company’s strategic management and ESG policies, and make recommendations to the Board; and
- performing other duties and responsibilities as assigned by the Board.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

We offer our executive Directors and senior management members, who are also the Company’s employees, remuneration in the form of fee, salaries, wages and bonuses, retirement benefits, housing fund and other benefits, and share-based payment expenses. Our independent non-executive Directors receive remuneration with reference to their respective positions and duties, including being a member or the chairperson of Board committees.

For the years ended December 31, 2023, 2024 and 2025, the aggregate amount of remuneration paid or payable to our Directors amounted to approximately RMB3.2 million, RMB2.2 million, and RMB3.2 million, respectively.

Under the arrangement currently in force, we estimate the total remuneration before taxation, including estimated share-based remuneration, to be accrued to our Directors for the year ending December 31, 2026 to be approximately RMB5 million. The actual remuneration of Directors in 2026 may be different from the expected remuneration.

The total emoluments for the five highest paid individuals amounted to approximately RMB7.1 million, RMB7.9 million and RMB7.3 million, for the years ended December 31, 2023, 2024 and 2025, respectively.

DIRECTORS AND SENIOR MANAGEMENT

During the Track Record Period, no remuneration was paid to our Directors or any of the five highest paid individuals as an inducement to join, or upon joining, our Group. During the Track Record Period, no compensation was paid to, or receivable by, any of our Directors, former directors or the five highest paid individuals for the loss of office as director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group. None of our Directors waived any emoluments during the Track Record Period. Save as disclosed above, no other payments have been paid, or are payable, by our Company or any of our subsidiaries to our Directors or the five highest paid individuals during the Track Record Period.

Our Board will review and determine the remuneration and compensation packages of our Directors and senior management and will, following the [REDACTED], receive recommendations from our Remuneration and Evaluation Committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of our Directors and senior management and the performance of our Group.

CORPORATE GOVERNANCE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company complies or intends to comply with the corporate governance requirements under the Corporate Governance Code set out in Appendix C1 to the Listing Rules after the [REDACTED].

BOARD DIVERSITY POLICY

In order to enhance the effectiveness of our Board and to maintain the high standard of corporate governance, we have adopted a board diversity policy (the “**Board Diversity Policy**”) which sets out the objective and approach to achieve and maintain diversity of our Board. Pursuant to the Board Diversity Policy, we seek to achieve Board diversity through the consideration of a number of factors when selecting the candidates to our Board, including, but not limited to, gender, skills, age, professional experience, knowledge, cultural background, education background, ethnicity and length of service. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates will bring to our Board.

Our Board currently consists of one female Director and nine male Directors. Our Directors have a balanced mix of knowledge and skills, including overall management and strategic development, quality assurance and control, finance and accounting and corporate governance in addition to industry experience relevant to our Group’s operations and business. They obtained degrees in various majors including law, public security management, accounting, applied chemistry, mathematics, computer software and engineering. This diverse academic background allows the Board to approach challenges and opportunities from multiple angles, fostering innovative solutions and comprehensive strategies. We have four independent non-executive Directors with different industry backgrounds, representing one third of the members of our Board. Furthermore, our Board has a diverse age and gender representation. Taking into account our existing business model and specific needs as well as the different background of our Directors, the composition of our Board satisfies our Board Diversity Policy.

Our Nomination Committee is responsible for reviewing the structure and diversity of the Board and selecting individuals to be nominated as Directors. After the [REDACTED], our Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness, and, when necessary, make any revisions that may be required and recommend any such revisions to our Board for consideration and approval. The Nomination

DIRECTORS AND SENIOR MANAGEMENT

Committee will also include in annual reports a summary of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors (other than our independent non-executive Directors) confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Group’s business which would require disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in April and May 2026 and (ii) understands the requirements under the Listing Rules that are applicable to him or her as a director of a [REDACTED] issuer under the Listing Rules and the possible consequences of making a false declaration or giving false information to the Stock Exchange.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he/she has no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointment.

Rule 13.51 of the Listing Rules

To the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, there was no information relating to the appointment of our Directors that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules or any other matters concerning any Director that needs to be brought to the attention of our Shareholders as of the Latest Practicable Date.

In December 2018 and January 2019, our Company and certain responsible personnel, including Ms. ZHAO Difang (趙笛芳), our chief financial officer, received a public criticism from Shanghai Stock Exchange and a warning letter from CSRC Zhejiang Regulatory Bureau, respectively, in relation to our failure to timely fulfil information disclosure obligations and accurately disclose internal control evaluation regarding certain overdue letters of credit incurred by Zhejiang Yiwu CCC Trade Co., Ltd. (浙江義烏中國小商品城貿易有限責任公司) (“CCC Trade”), a then subsidiary and currently an associate of our Company. The incident arose from unauthorized and fraudulent conduct committed by certain management of CCC Trade, including its general manager and chairman, who applied for letters of credit in the name of CCC Trade for personal use without the knowledge or approval of our Group. Upon becoming aware of the incident in 2017, we treated the matter seriously, reported the case to the relevant public security authorities, and proactively took follow-up actions. The relevant individuals were subsequently convicted in January 2021. As of December 2017, the relevant letters of credit had an aggregate amount of approximately RMB204.0 million, of which an aggregate overdue amount was approximately RMB109.6 million. The creditor filed a lawsuit against CCC Trade and our Company in March 2018 seeking payment of the overdue amounts. In November 2023, our Company obtained a final

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court decision ruling in its favor and was held not liable for the relevant letters of credit. See “Financial Information — Description of Major Components of Our Results of Operations — Other Gains, Net” for further details. Save for the then chairman of CCC Trade who concurrently served as the board secretary and Director of our Company at the time and resigned in December 2017, none of our current or former Directors or senior management was involved in the incident.

We believe that the above incident does not affect the suitability of Ms. Zhao Difang as our chief financial officer, having considered that (i) the incident was an isolated event resulting from personal misconduct by the convicted individuals, and was not due to fraud or personal dishonesty on the part of Ms. Zhao, nor did the relevant regulatory decisions cast doubt on her qualifications, (ii) the warning letter and the public criticism are regulatory actions imposed by the relevant securities regulatory authorities and are not administrative penalties, (iii) Ms. Zhao has not been disqualified from serving as the chief financial officer of our Company as a result of the above incident, and (iv) the incident ultimately did not result in any material adverse impact on the business operations or financial performance of our Group. Moreover, we have enhanced our internal control measures in this regard, including but not limited to measures aimed at preventing fraud and enhancing financing control within our Group, which has been reviewed by the independent internal control consultant of our Company without further recommendation.

COMPLIANCE ADVISOR

We have appointed Maxa Capital Limited as our compliance advisor (the “**Compliance Advisor**”) pursuant to Rules 3A.19 of the Listing Rules. The Compliance Advisor will provide us with guidance and advice as to compliance with the Listing Rules and other applicable laws, rules, codes and guidelines. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Advisor will advise our Company in certain circumstances, including:

- (a) before the publication of any regulatory announcement, circular or financial report;
- (b) where a transaction, which might be a notifiable or connected transaction is contemplated, including share issues and share repurchases;
- (c) where we propose to use the [REDACTED] of the [REDACTED] in a manner different from that detailed in this Document or where our business activities, developments or results deviate from any forecast, estimate or other information in this Document; and
- (d) where the Hong Kong Stock Exchange makes an inquiry to our Company regarding unusual movements in the [REDACTED] volume of its [REDACTED] or any other matters in accordance with Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, the compliance advisor will, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules that are announced by the Hong Kong Stock Exchange. The Compliance Advisor will also inform our Company of any new or amended law, regulation or code in Hong Kong applicable to us, and advise us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The term of the appointment of our Compliance Advisor will commence on the [REDACTED] and is expected to end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED].

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, CCC Holdings directly controlled approximately 56.37% of the total issued share capital of our Company. CCC Holdings is a wholly-owned subsidiary of MD Group. Accordingly, CCC Holdings and MD Group are our Controlling Shareholders.

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), the Controlling Shareholders will continue to control over [REDACTED]% of the total issued share capital of our Company and will remain as our Controlling Shareholders upon the [REDACTED]. For details, see “History, Development and Corporate Structure — Corporate Structure.”

INTERESTS OF OUR CONTROLLING SHAREHOLDERS IN OTHER BUSINESSES

Apart from the operations of our Group, MD Group, together with its subsidiaries (including CCC Holdings), primarily engages in, investment holding, development and operation of farmer market, furniture market and other specialized markets, property management and residential development.

Each of the Controlling Shareholders confirmed that as of the Latest Practicable Date, apart from the business of our Company, it did not have any interest in other business, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

NON-COMPETE UNDERTAKINGS

Since our A-Shares listing, CCC Holdings (the “**Undertaking Shareholder**”) has provided a non-compete undertaking (the “**Non-compete Undertaking**”) to our Company in order to avoid potential competition, pursuant to which, it has undertaken that, among others:

- (1) as of the date of the Non-compete Undertaking, the Undertaking Shareholder and its controlled enterprises (excluding the Group) do not, whether within or outside China, in any manner, directly or indirectly engage in any business or activities that constitute or may constitute, directly or indirectly, competition with the principal business of the Company;
- (2) during the period in which the Undertaking Shareholder remains the Controlling Shareholder of the Company, the Undertaking Shareholder and its controlled enterprises (excluding the Group) will not invest in or establish any other enterprises that compete with the principal business of the Company, nor will they, in any manner, directly or indirectly engage in, or provide any form of support to, any business or activities that compete with the principal business currently or subsequently conducted by the Company;
- (3) if in the future, any business opportunities available to the Undertaking Shareholder and its controlled enterprises (excluding the Group) compete or may potentially compete with the principal business of the Company, the Undertaking Shareholder shall promptly notify the Company and use best efforts to procure that such business opportunities are first offered to the Company on terms no less favourable than those offered to the Undertaking Shareholder and its controlled enterprises (excluding the Group), in order to avoid actual or potential competition with the Company and to ensure that the lawful rights and interests of the Company and its other shareholders are not adversely affected; and

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (4) the Undertaking Shareholder has undertaken that, in the event of any breach of the above undertakings, it shall promptly take necessary corrective and remedial actions and shall compensate the Company for any direct and indirect economic losses, liabilities and additional costs and expenses incurred as a result of its failure to perform the above undertakings.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors consider that we are capable of carrying on our business independently from our Controlling Shareholders and their close associates after the [REDACTED], taking into consideration the factors below.

Management Independence

Our Board consists of 10 Directors, including four executive Directors, two non-executive Directors and four independent non-executive Directors. Other than two of our executive Directors, namely, Mr. CHEN Dezhan and Mr. BAO Hua, none of our other Directors hold any directorship or managerial positions within the Controlling Shareholders.

<u>Name of the Management</u>	<u>Roles in our Company</u>	<u>Roles in Controlling Shareholders</u>
Mr. CHEN Dezhan	Chairperson	Chairperson, Manager of CCC Holdings
Mr. BAO Hua	Vice Chairperson, General Manager	Director of CCC Holdings

Our Directors consider that we are capable of maintaining management independence for the following reasons:

- (a) Each of Mr. CHEN Dezhan and Mr. BAO Hua holds positions in CCC Holdings in consideration of his managerial role in overseeing the overall operations of our Group and the fact that our Company will continue to be a major subsidiary of CCC Holdings. Moreover, Mr. BAO Hua does not participate in the day-to-day business management of CCC Holdings, nor does he exercise any management or control over the business of CCC Holdings.
- (b) save for Mr. CHEN Dezhan and Mr. BAO Hua, none of our Directors or members of our senior management team holds any directorship or managerial position in the Controlling Shareholders or their close associates. Our Board has a balanced composition with a majority of non-executive Directors including independent non-executive Directors.
- (c) the business of CCC Holdings does not compete with our core business, and there are adequate corporate governance measures in place to manage the existing and potential conflicts of interest. Therefore, the dual roles assumed by Mr. CHEN Dezhan and Mr. BAO Hua will not affect the requisite degree of impartiality of our Directors as a whole in discharging their fiduciary duties owed to our Company;
- (d) our daily management and operations are carried out independently by our senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

best interests of our Company. For details of the industry experience of our senior management team, please refer to the section headed “Directors and Senior Management” in this Document;

- (e) each Director is aware of his/her fiduciary duties as a director which require, among other things, that he/she acts for the benefit and in the interest of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;
- (f) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and a Director and/or his/her associate, he/she shall abstain from voting and shall not be counted towards the quorum for the voting. Hence, no Director will be able to influence our Board in making decisions on matters in which he or she is, or may be interested; and
- (g) we have four independent non-executive Directors and certain matters of our Company, including continuing connected transactions, must always be referred to the independent non-executive Directors for review. We have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Company and our Controlling Shareholders which would support our independent management. See “— Corporate Governance” for details.

Based on the above, our Directors believe that our Board as a whole and together with our senior management are able to perform the managerial role in our Company independently from our Controlling Shareholders and their close associates after the [REDACTED].

Operational Independence

We do not rely on our Controlling Shareholders and their close associates for our business operation and development, staffing, administration, finance, internal audit, IT, sales and marketing, procurement or company secretarial functions. We have our own departments specializing in these respective areas which have been in operation and are expected to continue to operate separately and independently from our Controlling Shareholders and their close associates. In addition, we have our own headcount of employees for our operations and management for human resources. All essential administrative functions are carried out by our Group independently and without support of our Controlling Shareholders and their close associates.

We have independent access to our suppliers and customers. We are in possession of all material licenses, certificates, facilities and IP rights necessary to carry on and operate our principal businesses and we have sufficient operational capacity in terms of capital and employees to operate independently.

We have entered into certain continuing connected transactions with our Controlling Shareholders and/or their respective associates, the details of which are set out in the section headed “Connected Transactions” in this Document. All such transactions will be conducted on arm’s length and on normal commercial terms in the ordinary and usual course of business of our Group. These transactions did not and are not expected to be significant to our Group. Therefore, our Directors believe that these continuing connected transactions do not affect our operational independence as a whole.

Based on the above, our Directors believe that we are able to operate independently of our Controlling Shareholders and its close associates.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Financial Independence

We have an independent financial system and make financial decisions according to our Company’s own business needs. We have our own internal control and accounting systems and an independent finance department for discharging the treasury function and independent access to third party financing. We are capable of obtaining financing from third parties, without reliance on our Controlling Shareholders and their respective close associates.

As of the Latest Practicable Date, we did not have any outstanding loans or guarantees provided by or granted to, nor any non-trade balances due to or due from, our Controlling Shareholders or their respective associates.

Based on the above, our Directors believe that we are capable of carrying on our business independently of, and do not place undue reliance on our Controlling Shareholders after the [REDACTED].

CORPORATE GOVERNANCE

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules (the “**Corporate Governance Code**”), which sets out principles of good corporate governance.

Our Directors recognize the importance of good corporate governance in protection of our Shareholders’ interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Company and our Controlling Shareholders:

- (a) where a Board meeting is held for the matters in which any Director or his/her associates have a material interest, such Director(s) shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for the voting;
- (b) where a Shareholders’ meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of their respective associates has a material interest, our Controlling Shareholders or their respective associates will not vote on the resolutions and shall not be counted in the quorum in the voting;
- (c) as part of our preparation for the [REDACTED], we have amended our Articles of Association to comply with the Listing Rules which will become effective upon [REDACTED]. In particular, our Articles of Association provides that, a Director shall abstain from voting on any resolution approving any contract, transaction or arrangement in which such Director or any of his/her associates has a material interest nor shall such Director be counted in the quorum present at the Board meeting;
- (d) our Company has established internal control mechanisms to identify connected transactions. Upon the [REDACTED], if our Company enters into connected transactions with our Controlling Shareholders or any of their respective associates, our Company will comply with the applicable Listing Rules;
- (e) we are committed that our Board shall include a balanced composition of executive Director and non-executive Directors (including independent non-executive Directors). We have appointed four independent non-executive Directors, and we believe our independent non-executive Directors (i) possess sufficient experiences, (ii) are free of any business or other relationship which could interfere in any material manner with the exercise of their

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

independent judgment, and (iii) will be able to provide an impartial and external opinion to protect the interests of our Shareholders as a whole. For details of the independent non-executive Directors, see “Directors and Senior Management”;

- (f) where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company’s expenses; and
- (g) we have appointed Maxa Capital Limited as our Compliance Advisor to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Company and our Controlling Shareholders, and to protect minority Shareholders’ interests after the [REDACTED].

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED] and without taking into account any H Shares which may be issued pursuant to the exercise of the [REDACTED] and assuming that no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED], the following persons will have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company:

Shareholder	Nature of Interest	Number and Description of Shares ⁽¹⁾	Approximate Percentage of Shareholding in the A Shares shortly after the [REDACTED] (%)	Approximate Percentage of Shareholding in the Total Issued Share Capital of our Company immediately after the [REDACTED] (%)
CCC Holdings ⁽²⁾	Beneficial owner	3,091,064,692 A Shares	56.37	[REDACTED]
MD Group ⁽²⁾	Interest of controlled corporation	3,091,064,692 A Shares	56.37	[REDACTED]
Yiwu SOC ⁽³⁾	Interest of controlled corporation	3,133,305,086 A Shares	57.14	[REDACTED]

Notes:

- (1) All interests are long positions.
- (2) As of the Latest Practicable Date, MD Group held 100% of the equity interest in CCC Holdings. Therefore, MD Group is deemed to be interested in the Shares held by CCC Holdings.
- (3) As of the Latest Practicable Date, Yiwu SOC held 88.57% and 83.10% of the equity interest in MD Group and Yiwu Urban Investment and Construction Group Co., Ltd. (義烏市城市投資建設集團有限公司) (“Yiwu UICG”), respectively. Therefore, Yiwu SOC is deemed to be interested in the Shares held by MD Group (through CCC Holdings) and Yiwu UICG.

Save as disclosed herein, our Directors are not aware of any other person who will, immediately following the [REDACTED] (and the [REDACTED] of any additional H Shares pursuant to the [REDACTED]) and assuming that no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED], have an interest or short position in Shares or underlying Shares of our Company, which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company.

SHARE CAPITAL

OUR SHARE CAPITAL

This section presents certain information regarding our share capital before and upon completion of the [REDACTED].

Immediately before the [REDACTED]

As of the Latest Practicable Date, the total share capital of our Company was RMB5,483,559,226, comprising 5,483,559,226 A Shares of nominal value RMB1.00 each.

Upon the Completion of the [REDACTED]

Immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and [REDACTED]), the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of total share capital (%)
A Shares in issue	5,483,559,226	[REDACTED]
H Shares to be issued pursuant to the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100.00

Immediately following completion of the [REDACTED] (assuming the [REDACTED] is fully exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and [REDACTED]), the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage of total share capital (%)
A Shares in issue	5,483,559,226	[REDACTED]
H Shares to be issued pursuant to the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100.00

OUR SHARES

Our H Shares in issue upon completion of the [REDACTED], and our A Shares, are ordinary Shares in our share capital and are considered as one class of Shares. Shanghai-Hong Kong Stock Connect has established a stock connect mechanism between Chinese mainland and Hong Kong. Our A Shares can be subscribed for and traded by Chinese mainland investors, qualified foreign institutional investors or qualified foreign strategic investors and must be traded in Renminbi. As our A Shares are eligible securities under the Northbound Trading Link, they can also be subscribed for and traded by Hong Kong and other overseas investors pursuant to the rules and limits of Shanghai-Hong Kong Stock Connect. Our H Shares can be [REDACTED] for or [REDACTED] by Hong Kong and other overseas [REDACTED] and qualified domestic institutional [REDACTED]. If our H Shares are [REDACTED] under the Southbound Trading Link, they can also be [REDACTED] for and [REDACTED] by Chinese mainland [REDACTED] in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

SHARE CAPITAL

All dividends in respect of our H Shares are to be paid by us in Hong Kong dollars whereas all dividends in respect of our A Shares are to be paid by us in Renminbi. In addition to cash, dividends may also be distributed in the form of Shares. Holders of our H Shares will receive share dividends in the form of H Shares, and holders of our A Shares will receive share dividends in the form of A Shares.

TRANSFER OF OUR A SHARES FOR [REDACTED] AND [REDACTED] ON THE STOCK EXCHANGE AS H SHARES

A Shares and H Shares are generally neither interchangeable nor fungible, and the market prices of our A Shares and H Shares may be different after the [REDACTED].

In accordance with the Guidelines on Application for “Full Circulation” of Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請“全流通”業務指引》) (“**Full Circulation Guidelines**”) published and implemented by the CSRC, domestic unlisted shares of H-share companies (including domestic unlisted shares held by domestic shareholders prior to the overseas [REDACTED], domestic unlisted shares further issued in the PRC after the overseas [REDACTED] and unlisted shares held by foreign shareholders) could be [REDACTED] on the Hong Kong Stock Exchange after application to and approval from the CSRC. The Full Circulation Guidelines are only applicable to domestic companies [REDACTED] on the Hong Kong Stock Exchange only and not applicable to companies dual [REDACTED] in the PRC and on the Hong Kong Stock Exchange. Up to the Latest Practicable Date, there were no relevant rules or guidelines from the CSRC providing that A shares holders may convert A shares held by them into H shares for [REDACTED] on the Hong Kong Stock Exchange.

APPROVAL FROM HOLDERS OF A SHARES REGARDING THE [REDACTED]

Approval from holders of A Shares is required for our Company to issue H Shares and seek [REDACTED] of H Shares on the Hong Kong Stock Exchange. We have obtained such approval at the general meetings of our Company held on April 29, 2026 upon, among other things, the following major terms:

(1) Size of the [REDACTED]

The proposed number of H Shares to be [REDACTED] initially shall not exceed [REDACTED] of the total issued number of shares as enlarged by the H Shares to be issued pursuant to the [REDACTED] (before the exercise of the [REDACTED]). The number of H Shares to be issued pursuant to the exercise of the [REDACTED] shall not exceed [REDACTED] of the total number of H Shares to be [REDACTED] initially pursuant to the [REDACTED].

(2) Method of [REDACTED]

The method of [REDACTED] shall be by way of [REDACTED] for [REDACTED] in Hong Kong and an [REDACTED] to institutional and professional [REDACTED].

(3) Target [REDACTED]

The H Shares shall be issued to professional organizations, institutions individual [REDACTED] and the [REDACTED].

SHARE CAPITAL

(4) [REDACTED] basis

The [REDACTED] of the H Shares will be determined, among others, after due consideration of the interests of existing Shareholders of our Company, the acceptance of [REDACTED] and issuance risks and in accordance with international practices through the demands for orders and book building process, subject to the domestic and overseas capital market conditions and by reference to the valuation level of comparable companies in domestic and overseas markets.

(5) Validity period

The issue of H Shares and [REDACTED] of H Shares on the Hong Kong Stock Exchange shall be completed within 24 months from the date when the general meeting was held on April 29, 2026.

There is no other approved [REDACTED] plan for our Shares except the [REDACTED].

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Pursuant to the PRC Company Law and the terms of the Articles of Association, our Company may from time to time by special resolution of shareholders, among others, increase its capital or decrease its capital or repurchase of shares. See “Appendix VI — Summary of the Articles of Association” in this Document for details.

FINANCIAL INFORMATION

You should read the following discussion and analysis in conjunction with our consolidated financial statements, included in the Accountants’ Report in Appendix I to this Document, together with the respective accompanying notes. Our consolidated financial information has been prepared in accordance with the International Financial Reporting Standards (“IFRS”).

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties, many of which we cannot control or foresee. In evaluating our business, you should carefully consider all of the information provided in this Document, including the sections headed “Risk Factors” and “Business,” and elsewhere in this Document. For further details, see “Forward-Looking Statements.”

OVERVIEW

We are an international trade comprehensive service 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.

We have experienced robust growth during the Track Record Period. Our revenue increased by 37.2% from RMB11,280.8 million in 2023 to RMB15,474.9 million in 2024, and further increased by 27.4% to RMB19,707.4 million in 2025. Our gross profit increased by 62.4% from RMB2,975.0 million in 2023 to RMB4,830.3 million in 2024, and further increased by 28.1% to RMB6,189.2 million in 2025. Our net profit increased by 14.8% from RMB2,681.4 million in 2023 to RMB3,078.2 million in 2024, and further increased by 37.0% to RMB4,215.7 million in 2025.

BASIS OF PRESENTATION

The Historical Financial Information of our Group has been prepared in accordance with all applicable IFRS issued by the International Accounting Standards Board (“IASB”). The Historical Financial Information has been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities measured at FVPL and financial assets measured at fair value through other comprehensive income (“FVOCI”).

The preparation of the Historical Financial Information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying our Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4 of the Accountants’ Report in Appendix I to this Document.

New standards, amendments and interpretations to the existing standards that are effective during the Track Record Period have been adopted by our Group consistently throughout the years presented, unless prohibited by the relevant standard to apply retrospectively.

FINANCIAL INFORMATION

Other than those material accounting policies information as disclosed elsewhere in this Historical Financial Information, a summary of the other accounting policies information has been set out in Note 48 of the Accountants’ Report in Appendix I to this Document.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been, and are expected to continue to be, materially affected by a number of factors, including the following factors:

General Factors

Our results of operations and financial condition are affected by general factors impacting the industry where we operate, including:

- the growth and competitive landscape of the industry where we operate;
- relevant laws, regulations, and government policies affecting the industry;
- Global economic growth and per capita disposable income levels;
- force majeure events, pandemics, acts of war, social and economic instability, and natural disasters.

Unfavorable changes in any of these general industry conditions could materially and adversely affect demand for our products and services and/or the manner in which we provide our products and services, and therefore materially and adversely affect our results of operations.

Our Ability To Continuously Optimize our Product Portfolio and Service Offerings

Our results of operations are affected by our ability to continuously enhance and refine our product and service offerings across our business lines, including market operations, trade services, commodity sales, ancillary services, ancillary facility development and sales and others, to serve evolving sourcing and consumption needs and to promote transaction activity across the Yiwu China Commodities City ecosystem.

Market operations represent our foundational business and the physical infrastructure of our ecosystem. We generated RMB3,035.1 million, RMB4,529.5 million and RMB5,255.1 million from market operations in 2023, 2024 and 2025, respectively, representing 26.9%, 29.3% and 26.7% of our total revenue in the same years. Our market operations revenue is generated primarily from (i) booth usage fees and (ii) entry fees and is therefore directly affected by booth occupancy and merchant participation. During the Track Record Period, our mature marketplaces maintained high occupancy. For example, International Trade Mart Districts 1–5 recorded booth occupancy rates of 98.1%, 98.7% and 99.1% in 2023, 2024 and 2025, respectively, while Huangyuan Market recorded 96.9%, 97.0% and 96.9% in the same years.

At the same time, the pace at which newly introduced market formats achieve desired utilization affects our results. The Global Digital Trade Center came into operation in October 2025 and recorded a booth occupancy rate of 72.8% as of December 31, 2025. The Global Digital Trade Center focuses on higher-growth and emerging consumer sectors compared with earlier districts and integrates physical marketplace functions with digital trade infrastructure. Our ability to recruit merchants into targeted sectors, build product category clusters and generate buyer traffic affects the pace at which The Global Digital Trade Center achieves desired utilization and contributes to our results of operation.

FINANCIAL INFORMATION

Commodity sales was our largest revenue contributor during the Track Record Period. We generated RMB6,791.6 million, RMB9,257.2 million and RMB9,984.0 million from commodity sales in 2023, 2024 and 2025, respectively, representing 60.2%, 59.8% and 50.7% of our total revenue in the same years. Our commodity sales business builds upon the extensive merchant ecosystem and product supply available within Yiwu China Commodities City and is primarily conducted through our import and export trading activities. In these activities, we procure products from overseas suppliers for import trading and from domestic manufacturers and marketplace merchants for export trading. Our performance in commodity sales depends on our ability to maintain stable sourcing channels, manage cost of commodities and inventory efficiently, and execute cross-border trade transactions across a diversified product range. Changes in trade volumes, product mix, market pricing and customer demand, as well as our ability to manage inventory turnover and avoid obsolescence, may affect our revenue and gross margin in this business line.

In addition, the relative contribution of our other business lines, including trade services, ancillary services, ancillary facility development and sales and others, affects the overall composition and trajectory of our revenue. While trade services and ancillary services and others generally provide recurring business lines underpinned by our marketplace ecosystem, revenue from ancillary facility development and sales is project-specific and subject to the timing of project completion and delivery. For example, we generated RMB1,950.3 million from ancillary facility development and sales in 2025, primarily arising from the sale of office buildings and commercial units within the Global Digital Trade Center, following the project’s commencement of operations in October 2025. Accordingly, revenue from ancillary facility development and sales may fluctuate from period to period, and changes in the mix and scale of our various business lines may affect our overall revenue trajectory and profitability.

Our Ability To Meet Customer Demand Through Integrated Trade Services and Digitalization

Our results of operations are affected by our ability to meet customer demand by providing integrated services that support key stages of the trading process, including online display and matching, fulfillment, logistics coordination and transaction settlement, and by continuing to provide products and services that address merchants’ and buyers’ evolving needs across our ecosystem.

We provide digital trade services through our *Chinagoods*, logistics and warehousing services and financial services such as cross-border payment and supply chain finance. The extent to which merchants and buyers adopt these services affects our service revenue and supports transaction activity across our ecosystem. As of December 31, 2025, *Chinagoods* had approximately 5.6 million registered buyers and approximately 17.0 million SKUs listed. These operating metrics reflect the breadth of our service capabilities and their relevance to merchants and buyers engaging in cross-border trading, and directly affect the scale and profitability of our trade services segment. By integrating digital trade matching, fulfillment infrastructure and settlement capabilities, we are able to support merchants and buyers beyond on-site transactions, improve transaction visibility and execution efficiency, and enhance the overall connectivity of our ecosystem.

FINANCIAL INFORMATION

Our Ability To Efficiently Manage our Supply Chain and Enhance Operational Efficiency

We believe our results of operations depend in part on our ability to continue to efficiently manage our supply chain. A substantial portion of our cost structure relates to cost of commodities for our commodity sales business. In 2023, 2024 and 2025, our cost of commodities amounted to RMB6,757.6 million, RMB9,189.2 million and RMB9,912.3 million, respectively, representing 59.9%, 59.4% and 50.3% of our total revenue in the same years. Our ability to maintain stable sourcing channels, procure goods at competitive prices and manage inventory turnover is essential to our cost control, profitability and cash flow.

We are committed to digitalizing our business operations to improve our operational efficiency. Our general and administrative expenses accounted for 6.3%, 5.2% and 4.8% of our total revenue in 2023, 2024 and 2025, respectively. Our digital systems and tools enable us to monitor supply-and-demand dynamics from procurement through sales and fulfillment, which allows us to analyze customer demand patterns and coordinate with suppliers and other counterparties to adjust sourcing and inventory planning on a timely basis. We also rely on system-driven workflows to standardize key operational steps and strengthen real-time process visibility, which helps reduce execution deviations caused by human error and improves operational accuracy and throughput. In addition, our digital logistics and warehouse management capabilities allow us to closely manage and control warehousing, storage, sorting, consolidation and outbound delivery processes.

Our Ability To Manage Gross Profit and gross profit margin

Our results of operations are affected by our ability to manage our gross profit and gross profit margin, which are primarily driven by (i) the mix of our business lines with different margin profiles, (ii) the operating efficiency and scalability of our service-based businesses, especially market operations and trade services, and (iii) our ability to control the cost of commodities and manage inventory turnover in our commodity sales business.

During the Track Record Period, our overall gross profit increased from RMB2,975.0 million in 2023 to RMB4,830.3 million in 2024 and RMB6,189.2 million in 2025, and our overall gross profit margin increased from 26.4% in 2023 to 31.2% in 2024 and 31.4% in 2025. Given the different gross profit margin profiles across our business lines, changes in business line contribution may have a material impact on our consolidated gross profit and gross profit margin. For example, market operations and trade services generally have higher gross profit margins than commodity sales. Market operations recorded gross profit margins of 75.5%, 84.9% and 82.9% in 2023, 2024 and 2025, respectively, and trade services recorded gross profit margins of 67.1%, 90.6% and 85.6% over the same years. By contrast, commodity sales recorded gross profit margins of 0.5%, 0.7% and 0.7% in 2023, 2024 and 2025, respectively. We seek to manage our overall margin profile by expanding higher-margin service offerings within our ecosystem and improving service adoption among merchants and buyers, while maintaining the competitiveness of our commodity sales business to promote cross-border trade.

In our market operations business, maintaining high booth occupancy and stable leasing income supports margin stability, while standardized marketplace management and disciplined operating and maintenance costs support operating leverage. In our trade services business, increased adoption of *Chinagoods*, warehousing and logistics services and Yiwu Pay support margin expansion.

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Given the relatively low-margin nature of commodity sales, gross profit in this business line is sensitive to market pricing, procurement pricing, product mix, channel mix and inventory turnover. We manage these factors through centralized procurement and product selection, order-driven adjustments to product mix, and inventory planning across our online and offline channels to manage working capital exposure and mitigate execution risks. We also strengthen end-to-end execution in our import and export trading activities, including supplier coordination and fulfillment arrangements, to reduce avoidable cost leakage and improve transaction efficiency.

In addition, gross profit and gross profit margin may be affected by the timing and margin profile of ancillary facility development and sales, which is project-specific and may fluctuate from period to period depending on project completion and delivery schedules. Accordingly, our ability to manage our business line mix and cost structure is important to the stability and growth of our results of operations.

MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

Certain accounting policies are particularly important to the preparation of our financial statements. Some of these policies require subjective assumptions, estimates, and complex judgements regarding accounting items, which may result in actual outcomes differing from those estimates. These estimates and assumptions are regularly reviewed based on the latest available information, our historical experience, and other relevant factors. Our management has discussed the development, selection, and disclosure of these estimates with our Board of Directors. As our financial reporting process relies on estimates and assumptions, actual results may vary under different circumstances. When reviewing our financial statements, consideration should be given to our selection of key accounting policies, the judgments and uncertainties involved in their application, and the sensitivity of reported results to changes in conditions and assumptions. The material accounting policy information and estimates, including those relating to revenue and other income, business combinations and goodwill, property, plant and equipment, leased assets, investment properties and income tax, as set out in Note 4 of the Accountants’ Report in Appendix I to this Document, are considered critical and involve the most significant estimates and judgments in the preparation of our financial statements.

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CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table sets forth a summary of our consolidated statements of profit or loss for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Revenue	11,280,779	15,474,884	19,707,436
Cost of Revenue	(8,305,742)	(10,644,613)	(13,518,244)
Gross profit	<u>2,975,037</u>	<u>4,830,271</u>	<u>6,189,192</u>
General and administrative expenses	(710,026)	(797,394)	(951,422)
Selling and marketing expenses	(240,304)	(321,433)	(470,767)
Research and development expenses	(21,749)	(23,221)	(40,714)
Net impairment reversals/(losses) on financial assets	2,138	(12,891)	(10,710)
Other income	71,526	170,944	118,057
Other gains, net	221,270	122,466	387,054
Operating profit	<u>2,297,892</u>	<u>3,968,742</u>	<u>5,220,690</u>
Finance income	67,434	42,136	66,769
Finance costs	(193,111)	(141,845)	(79,493)
Finance costs, net	(125,677)	(99,709)	(12,724)
Share of profit of investments in associates and joint ventures	1,035,858	159,710	199,606
Profit before income tax	<u>3,208,073</u>	<u>4,028,743</u>	<u>5,407,572</u>
Income tax expense	(526,670)	(950,495)	(1,191,856)
Profit for the year	<u>2,681,403</u>	<u>3,078,248</u>	<u>4,215,716</u>
Attributable to:			
— Owners of the Company	2,676,182	3,073,677	4,203,547
— Non-controlling interests	5,221	4,571	12,169
	<u>2,681,403</u>	<u>3,078,248</u>	<u>4,215,716</u>

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DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

During the Track Record Period, we derived revenue from (i) market operations, (ii) trade services, (iii) commodity sales, (iv) ancillary services, (v) ancillary facility development and sales, and (vi) others.

Revenue by Business Line

The following table sets forth a breakdown of our revenue by business line, in amounts and as a percentage of our total revenue for the years 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
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
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.

Revenue by Geographical Region

The following table sets forth a breakdown of our revenue by geographical region, in amounts and as a percentage of our total revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Chinese mainland	10,959,186	97.1	14,938,928	96.5	18,960,780	96.2
Overseas markets ⁽¹⁾	321,593	2.9	535,956	3.5	746,656	3.8
Total	11,280,779	100.0	15,474,884	100.0	19,707,436	100.0

Note:

(1) Overseas markets primarily include Europe and Hong Kong.

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Cost of Revenue

During the Track Record Period, our cost of revenue primarily consisted of (i) cost of commodities, (ii) depreciation and amortization, and (iii) property management fees.

The following table sets forth a breakdown of our cost of revenue by nature, in absolute amounts and as a percentage of our total cost of revenue, for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Cost of commodities	6,757,562	81.4	9,189,222	86.3	9,912,299	73.3
Depreciation and amortization	746,425	9.0	741,815	7.0	890,738	6.6
Property management fees	270,994	3.3	269,889	2.5	332,388	2.5
Cost of ancillary facilities sold	36,705	0.4	3,692	0.0	1,746,193	12.9
Employee benefits expenses	167,086	2.0	148,498	1.4	137,169	1.0
Others ⁽¹⁾	326,970	3.9	291,497	2.8	499,457	3.7
Total	8,305,742	100.0	10,644,613	100.0	13,518,244	100.0

Note:

- (1) Others primarily include property maintenance costs, catering costs, utility expenses, hotel operating costs, security service costs, advertising costs, exhibition operation costs and other costs.

Gross Profit and Gross Profit Margin

Our gross profit amounted to RMB2,975.0 million, RMB4,830.3 million and RMB6,189.2 million in 2023, 2024 and 2025, respectively. Our gross profit margin was 26.4%, 31.2% and 31.4% in 2023, 2024 and 2025, respectively.

The following table sets forth a breakdown of our gross profit and gross profit margin by business line for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)	Gross profit	Gross profit margin (%)
	(RMB in thousands, except for percentages)					
Market operations	2,292,873	75.5	3,845,703	84.9	4,358,274	82.9
Trade services	315,016	67.1	495,655	90.6	1,117,396	85.6
Commodity sales	33,736	0.5	63,959	0.7	69,393	0.7
Ancillary services	77,511	16.6	57,604	12.8	93,700	17.3
Ancillary facility development and sales	2,591	6.6	(940)	(34.2)	204,065	10.5
Others ⁽¹⁾	253,310	52.9	368,290	53.4	346,364	51.7
Total/Overall	2,975,037	26.4	4,830,271	31.2	6,189,192	31.4

Note:

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

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General and Administrative Expenses

Our general and administrative expenses primarily consisted of (i) employee benefits expenses, (ii) taxes and surcharges and (iii) depreciation and amortization. Our general and administrative expenses amounted to RMB710.0 million, RMB797.4 million and RMB951.4 million in 2023, 2024 and 2025, respectively, representing 6.3%, 5.2% and 4.8% of our total revenue in the same years.

The following table sets forth a breakdown of our general and administrative expenses in absolute amounts and as a percentage of our total administrative expenses for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)						
Employee benefits expenses	347,687	49.0	384,517	48.2	466,353	49.0
Taxes and surcharges	146,197	20.6	213,544	26.8	336,738	35.4
Depreciation and amortization	139,771	19.7	146,476	18.4	109,239	11.5
Professional services and other consulting fees	19,597	2.8	12,283	1.5	19,110	2.0
Travel and transportation expenses	7,492	1.1	6,509	0.8	8,583	0.9
Others ⁽¹⁾	49,282	6.8	34,065	4.3	11,399	1.2
Total	710,026	100.0	797,394	100.0	951,422	100.0

Note:

(1) Others primarily include office expenses and other expenses.

Selling and Marketing Expenses

Our selling and marketing expenses primarily consisted of (i) marketing and promotional expenses, (ii) market operation service fees and (iii) advertising expenses. Our selling and marketing expenses amounted to RMB240.3 million, RMB321.4 million and RMB470.8 million in 2023, 2024 and 2025, respectively, representing 2.1%, 2.1% and 2.4% of our total revenue in the same years.

The following table sets forth a breakdown of our selling and marketing expenses in absolute amounts and as a percentage of our total selling and marketing expenses for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)						
Marketing and promotional expenses	142,522	59.3	171,911	53.5	288,698	61.3
Market operation service fees	47,339	19.7	47,455	14.8	42,386	9.0
Advertising expenses	26,939	11.2	57,245	17.8	80,417	17.1
Utility expenses	7,169	3.0	8,346	2.6	7,534	1.6
Employee benefits expenses	5,336	2.2	18,318	5.7	40,294	8.6
Others ⁽¹⁾	10,999	4.6	18,158	5.6	11,438	2.4
Total	240,304	100.0	321,433	100.0	470,767	100.0

Note:

(1) Others primarily include depreciation and amortization, transportation costs and other expenses.

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Research and Development Expenses

Our research and development expenses primarily consisted of (i) employee benefits expenses and (ii) technology development expenses. Our research and development expenses amounted to RMB21.7 million, RMB23.2 million and RMB40.7 million in 2023, 2024 and 2025, respectively, representing 0.2%, 0.2% and 0.2% of our total revenue in the same years.

The following table sets forth a breakdown of our research and development expenses in absolute amounts and as a percentage of our total research and development expenses for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)						
Employee benefits expenses	16,183	74.4	18,703	80.5	36,988	90.8
Technology development expenses	5,154	23.7	4,298	18.5	2,372	5.8
Others ⁽¹⁾	412	1.9	220	1.0	1,354	3.4
Total	21,749	100.0	23,221	100.0	40,714	100.0

Note:

- (1) Others primarily include depreciation and amortization and other expenses.

Net Impairment Reversals/(Losses) on Financial Assets

Our net impairment losses on financial assets are primarily related to our trade receivables and other receivables. We recorded net impairment reversals on financial assets, which amounted to RMB2.1 million in 2023. Our net impairment losses on financial assets amounted to RMB12.9 million and RMB10.7 million in 2024 and 2025, respectively.

Other Income

Our other income primarily included (i) government grants, (ii) interest income, and (iii) dividend income. The following table sets forth a breakdown of our other income in absolute amount and as a percentage of our total other income for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)						
Government grants ⁽¹⁾	32,169	45.0	44,849	26.2	57,277	48.5
Interest income ⁽²⁾	21,434	30.0	28,362	16.6	54,358	46.0
Dividend income ⁽³⁾	17,871	25.0	97,163	56.8	5,811	4.9
Others	52	0.0	570	0.4	611	0.6
Total	71,526	100.0	170,944	100.0	118,057	100.0

Notes:

- (1) The amount mainly comprises subsidies received from the PRC local government authorities as incentives for our Group's construction activities. Unconditional government grants are recognized in profit and loss when received, while conditional government grants are recognized in profit or loss when our Group fulfilled the conditions.

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- (2) The amount mainly comprises interest income from our Group’s term deposits, amount due from joint venture, and entrusted loans. Interest income from cash and cash equivalents is included in “Finance costs, net.”
- (3) Dividends are received from equity investment. Dividends are recognized when the right to receive payment is established in profit or loss, unless they clearly represent a recovery of part of the cost of an investment. Our Group presents dividends recognized in profit or loss as other income.

Other Gains, Net

Our other gains, net primarily included (i) net gains/(losses) on disposal of property, plant and equipment and other long-term assets, (ii) provisions reversed, and (iii) fair value changes in financial instruments. The following table sets forth a breakdown of our other gains, net in absolute amount and as a percentage of our total other gains, net for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)						
Net gains on disposal of financial instruments	2,946	1.3	4,650	3.8	5,837	1.5
Fair value changes in financial instruments	(52,431)	(23.7)	12,871	10.5	247,657	64.0
Net foreign exchange gains/(losses)	4,963	2.2	701	0.6	(85)	(0.0)
Net gains/(losses) on disposal of property, plant and equipment and other long-term assets ⁽¹⁾	139,114	62.9	(87)	(0.1)	2,199	0.6
Losses from disposal of other financial assets at fair value through profit or loss	(421)	(0.2)	(979)	(0.8)	—	—
Gains from disposal of subsidiary	9,663	4.4	—	—	—	—
Gains from disposal of associates	—	—	—	—	84	0.0
Net gains on disposal of investment properties	—	—	83,290	68.0	76,815	19.8
Provisions reversed ⁽¹⁾	110,621	50.0	—	—	—	—
Forfeited trade payables	—	—	12,107	9.9	—	—
Compensation received	5,852	2.6	7,884	6.4	54,685	14.1
Others	963	0.5	2,029	1.7	(138)	0.0
Total	221,270	100.0	122,466	100.0	387,054	100.0

Notes:

- (1) In 2023, the government demolished the Binwang Market and revoked the land use rights, in consideration of which it provided demolition compensation to our Company.
- (2) In 2017, our Company’s former subsidiary, Zhejiang Yiwu China Commodities City Trading Co., Ltd. (the “**Trading Company**”, which became an associate of our Company in 2018), experienced a letter of credit default due to its employee’s involvement in letter of credit fraud. Our Company initially recognized a provision for contingent liabilities of RMB136,939,000 in 2017. In 2018, after our Company and the Trading Company were sued, the provision was adjusted to RMB110,620,000 based on the claim amount asserted in the lawsuit.

In August 2023, our Company received a civil judgment from the court, ruling that the Trading Company is liable for repaying the plaintiff the letter of credit advance of RMB95,218,000, along with the corresponding interest and compound interest. In November 2023, our Company obtained a final court decision ruling in our favour and confirming that we are not liable for the relevant letters of credit. Accordingly, the provision for contingent liabilities previously recognized by our Company was reversed in 2023.

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Operating Profit

Our operating profit amounted to RMB2,297.9 million, RMB3,968.7 million and RMB5,220.7 million in 2023, 2024 and 2025, respectively.

Finance Costs, Net

Our finance income includes interest income from financial assets held for cash management purposes.

Our finance costs primarily include (i) interest expenses on lease liabilities, (ii) interest expenses on borrowings, and (iii) interest expenses on bonds and short-term commercial papers. The following table sets forth a breakdown of our finance costs, net in absolute amounts and as a percentage of our total finance costs, net for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)						
Finance income:						
Interest income from financial assets held for cash management purposes	67,434	(53.7)	42,136	(42.3)	66,769	(524.7)
Finance costs:						
Interest expenses on lease liabilities	(5,165)	4.1	(11,755)	11.8	(9,848)	77.4
Interest expenses on borrowings	(75,382)	60.0	(72,858)	73.1	(18,660)	146.7
Interest expenses on bonds and short-term commercial papers	(191,388)	152.3	(186,594)	187.1	(124,546)	978.8
Less: capitalized finance costs	78,824	(62.7)	129,362	(129.7)	73,561	(578.2)
	<u>(193,111)</u>	<u>153.7</u>	<u>(141,845)</u>	<u>142.3</u>	<u>(79,493)</u>	<u>624.7</u>
Finance costs, net	<u>(125,677)</u>	<u>100.0</u>	<u>(99,709)</u>	<u>100.0</u>	<u>(12,724)</u>	<u>100.0</u>

Shares of Profit of Investments in Associates and Joint Ventures

We had share of profit of investments in associates and joint ventures of RMB1,035.9 million, RMB159.7 million and RMB199.6 million in 2023, 2024 and 2025, respectively. The fluctuations were primarily driven by profit or loss of our associates and joint ventures.

Income Tax Expense

Our income tax expense amounted to RMB526.7 million, RMB950.5 million and RMB1,191.9 million in 2023, 2024 and 2025, respectively. We are subject to income tax on an entity basis on profits arising in or derived from the different jurisdictions in which members of our Group are domiciled and operate. See Note 11 of the Accountants’ Report in Appendix I to this Document.

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As of the Latest Practicable Date, we did not have any dispute with any tax authority. During the Track Record Period and up to the Latest Practicable Date, we have not been subject to any material tax investigation, enquiries, penalties or surcharges.

YEAR-TO-YEAR COMPARISON OF RESULTS OF OPERATIONS

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

Revenue

Our revenue increased by 27.4% from RMB15,474.9 million in 2024 to RMB19,707.4 million in 2025, primarily due to the increases in revenue from ancillary facility development and sales, trade services, commodity sales and market operations.

- *Market operations.* Our revenue from market operations increased by 16.0% from RMB4,529.5 million in 2024 to RMB5,255.1 million in 2025, primarily due to (i) an increase in booth usage fees, and entry fees contributed by the Global Digital Trade Center, which commenced operations in 2025, and (ii) an adjustment in rental rates upon renewal in response to market demand and improved booth occupancy rate in our existing marketplaces, resulting from our enhanced centralized marketplace management.
- *Trade services.* Our revenue from trade services increased by 138.4% from RMB547.3 million in 2024 to RMB1,305.0 million in 2025, primarily due to an increase in revenue from the *Chinagoods*, attributable to (i) an increase in digital platform infrastructure fee from newly onboarded merchants and (ii) higher user adoption among existing users as well as the addition of new users, resulting in an expanded customer base for *Chinagoods*, supported by our digitalization initiatives.
- *Commodity sales.* Our revenue from commodity sales increased by 7.9% from RMB9,257.2 million in 2024 to RMB9,984.0 million in 2025, primarily due to stronger market demand, which drove an increase in our customer base and the expansion of our product categories, resulting in a higher trading volume.
- *Ancillary services.* Our revenue from ancillary services increased by 21.1% from RMB448.4 million in 2024 to RMB543.0 million in 2025, primarily due to an increase in exhibition and convention activities, attributable to our efforts to expand our service offerings.
- *Ancillary facility development and sales.* Our revenue from ancillary facility development and sales increased from RMB2.8 million in 2024 to RMB1,950.3 million in 2025, primarily due to (i) revenue recognized from the delivery of certain supporting office properties in connection with the Global Digital Trade Center, and (ii) revenue recognized from the disposal of certain warehouse properties under our Yiwu Cross-border E-commerce Logistics Park (S3) through public listing-for-transfer arrangements.
- *Others.* Our revenue from others remained relative stable at RMB689.7 million and RMB670.0 million in 2024 and 2025, respectively.

Cost of Revenue

Our cost of revenue increased by 27.0% from RMB10,644.6 million in 2024 to RMB13,518.2 million in 2025, primarily due to (i) an increase in cost of ancillary facilities sold, mainly attributable to the delivery of the Global Digital Trade Center, (ii) an increase in cost of commodities, in line with the growth of our commodity sales business, and (iii) an increase in property management fees and depreciation and amortization, mainly attributable to the delivery of the Global Digital Trade Center.

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Gross Profit and Gross Profit Margin

Our gross profit increased by 28.1% from RMB4,830.3 million in 2024 to RMB6,189.2 million in 2025. Our gross profit margin remained relatively stable at 31.2% and 31.4% in 2024 and 2025, respectively.

- *Market operations.* Our gross profit margin for market operations remained relatively stable at 84.9% and 82.9% in 2024 and 2025, respectively.
- *Trade services.* Our gross profit margin for trade services decreased from 90.6% in 2024 to 85.6% in 2025, primarily due to higher upfront operating and digital infrastructure-related costs incurred during the initial ramp-up period following the commencement of the Global Digital Trade Center.
- *Commodity sales.* Our gross profit margin for commodity sales remained relatively stable at 0.7% and 0.7% in 2024 and 2025, respectively.
- *Ancillary services.* Our gross profit margin for ancillary services increased from 12.8% in 2024 to 17.3% in 2025, primarily due to a change in service mix to higher-margin services, particularly exhibition services.
- *Ancillary facility development and sales.* We recorded a gross loss margin for ancillary facility development and sales of 34.2% in 2024, primarily due to losses incurred from the tail-end sales of Haicheng CCC, which turned positive to a gross profit margin of 10.5% in 2025, primarily attributable to (i) the delivery of certain supporting office properties in connection with the Global Digital Trade Center and (ii) the disposal of certain warehouse properties under our cross-border e-commerce logistics park projects through public listing-for-transfer arrangements in 2025.
- *Others.* Our gross profit margin for others remained relatively stable at 53.4% and 51.7% in 2024 and 2025, respectively.

General and Administrative Expenses

Our general and administrative expenses increased by 19.3% from RMB797.4 million in 2024 to RMB951.4 million in 2025, primarily due to (i) an increase in taxes and surcharges, in line with our taxable transactions and revenue growth, and (ii) an increase in employee benefits expenses, as the number of administrative personnel increased, so as to support our business expansion and digitalization efforts.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 46.5% from RMB321.4 million in 2024 to RMB470.8 million in 2025, primarily due to an increase in marketing and promotional expenses in connection with the Global Digital Trade Center, *Chinagoods* and *Yiwu Pay*.

Research and Development Expenses

Our research and development expenses increased by 75.3% from RMB23.2 million in 2024 to RMB40.7 million in 2025, primarily due to an increase in employee benefits expenses, as the number of R&D personnel increased, so as to support the continued development and upgrade of our digital platforms and related systems.

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Net Impairment Losses on Financial Assets

Our net impairment losses on financial assets decreased by 16.9% from RMB12.9 million in 2024 to RMB10.7 million in 2025, primarily due to the enhanced efforts in following up with our customers in relation to payments.

Other Income

Our other income decreased by 30.9% from RMB170.9 million in 2024 to RMB118.1 million in 2025, primarily due to a decrease in dividend income, partially offset by (i) an increase in government grants received from local government authorities, and (ii) an increase in interest income.

Other Gains, Net

Other gains, net increased by 216.1% from RMB122.5 million in 2024 to RMB387.1 million in 2025, primarily due to (i) an increase in fair value gains on financial instruments in 2025, and (ii) an increase in compensation received, mainly comprising compensation for breaches during the leasing and tenant solicitation process for the Global Digital Trade Center.

Operating Profit

Our operating profit increased by 31.5% from RMB3,968.7 million in 2024 to RMB5,220.7 million in 2025, in line with our gross profit growth.

Finance Costs, Net

Our finance costs, net decreased by 87.2% from RMB99.7 million in 2024 to RMB12.7 million in 2025, primarily due to (i) an increase in finance income from financial assets held for cash management purposes, (ii) a decrease in interest expenses on borrowings, and (iii) a decrease in interest expenses on bonds and short-term commercial papers, partially offset by a decrease in capitalized finance costs.

Share of Profit of Investments in Associates and Joint Ventures

Our share of profit of investments in associates and joint ventures increased by 25.0% from RMB159.7 million in 2024 to RMB199.6 million in 2025, primarily due to improved financial performance of certain associates and joint ventures.

Income Tax Expense

Our income tax expense increased by 25.4% from RMB950.5 million in 2024 to RMB1,191.9 million in 2025, in line with our business growth.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 37.0% from RMB3,078.2 million in 2024 to RMB4,215.7 million in 2025.

FINANCIAL INFORMATION

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

Revenue

Our revenue increased by 37.2% from RMB11,280.8 million in 2023 to RMB15,474.9 million in 2024, primarily due to the increases in revenue from commodity sales and market operations, and trade services.

- *Market operations.* Our revenue from market operations increased by 49.2% from RMB3,035.1 million in 2023 to RMB4,529.5 million in 2024, primarily due to (i) an increase in booth usage fees, and entry fees contributed by operations of the International Trade Mart District 2 East Market, and (ii) an adjustment in rental rates upon renewal in response to market demand and improved booth occupancy rate in our existing marketplaces, resulting from our enhanced centralized marketplace management.
- *Trade services.* Our revenue from trade services increased by 16.6% from RMB469.5 million in 2023 to RMB547.3 million in 2024, primarily due to (i) an increase in revenue from the *Chinagoods*, attributable to higher user adoption and increased service usage supported by our digitalization initiatives, and (ii) an increase in revenue from Yiwu Pay, attributable to an expanded customer base, which resulted in an increase in the number of cross-border payment transactions.
- *Commodity sales.* Our revenue from commodity sales increased by 36.3% from RMB6,791.6 million in 2023 to RMB9,257.2 million in 2024, primarily due to stronger market demand, which drove an increase in our customer base and the expansion of our imported product categories, resulting in a higher import trading volume.
- *Ancillary services.* Our revenue from ancillary services decreased by 3.9% from RMB466.6 million in 2023 to RMB448.4 million in 2024, primarily due to a decrease in revenue generated from exhibitions and convention services, as customer demand declined following the expiry of certain local incentives available to customers at the end of 2023.
- *Ancillary facility development and sales.* Our revenue from ancillary facility development and sales decreased by 93.0% from RMB39.3 million in 2023 to RMB2.8 million in 2024, primarily due to a decrease in revenue generated from the delivery of properties, attributable to the disposal of Haicheng CCC in 2024. For the details of the disposal of Haicheng CCC, see “History, Development and Corporate Structure — Material Acquisitions and Disposals - Disposal of Xingchen Enterprise Management.”
- *Others.* Our revenue from others increased by 44.1% from RMB478.7 million in 2023 to RMB689.7 million in 2024, primarily due to an increase in rental income attributable to the commencement of operations of Yiwu Comprehensive Bonded Zone.

Cost of Revenue

Our cost of revenue increased by 28.2% from RMB8,305.7 million in 2023 to RMB10,644.6 million in 2024, primarily due to (i) an increase in the cost of commodities, in line with the growth of our commodity sales business, and (ii) an increase in property maintenance costs attributable to the upgrade and renovation of our physical marketplaces.

FINANCIAL INFORMATION

Gross Profit and Gross Profit Margin

Our gross profit increased by 62.4% from RMB2,975.0 million in 2023 to RMB4,830.3 million in 2024. Our gross profit margin increased from 26.4% in 2023 to 31.2% in 2024, primarily due to (i) an increased revenue contribution from our market operations business, which generally has higher gross profit margin, and (ii) an improvement in gross profit margin of market operations and trade services.

- *Market operations.* Our gross profit margin for market operations increased from 75.5% in 2023 to 84.9% in 2024, primarily due to a change in revenue mix towards higher-margin item, such as entry fees, attributable to the ramp-up of the International Trade Mart District 2 East Market.
- *Trade services.* Our gross profit margin for trade services increased from 67.1% in 2023 to 90.6% in 2024, primarily due to an increase in revenue attributable to our enhanced marketing efforts and increased customer adoption, while the related costs remained relatively stable.
- *Commodity sales.* Our gross profit margin for commodity sales remained relatively stable at 0.5% and 0.7% in 2023 and 2024, respectively.
- *Ancillary services.* Our gross profit margin for ancillary services decreased from 16.6% in 2023 to 12.8% in 2024, primarily due to a decrease in revenue from exhibition and convention services as customer demand declined, while related costs remained relatively stable.
- *Ancillary facility development and sales.* We recorded a gross profit margin for ancillary facility development and sales of 6.6% in 2023, which turned to a gross loss margin of 34.2% in 2024, primarily attributable to the loss-making clearance tail-end sales of Haicheng CCC in 2024.
- *Others.* Our gross profit margin for others increased from 52.9% in 2023 to 53.4% in 2024, primarily due to a higher proportion of rental income attributable to the commencement of operations of certain investment properties, which carries a higher gross profit margin.

General and Administrative Expenses

Our general and administrative expenses increased by 12.3% from RMB710.0 million in 2023 to RMB797.4 million in 2024, primarily due to (i) an increase in taxes and surcharges, in line with our taxable transactions and revenue growth, and (ii) an increase in employee benefits expenses, as the number of administrative personnel increased, so as to support our business expansion and digitalization efforts.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 33.8% from RMB240.3 million in 2023 to RMB321.4 million in 2024, primarily due to an increase in marketing and promotional expenses, in connection with *Chinagoods*, Yiwu Pay and the Global Digital Trade Center.

FINANCIAL INFORMATION

Research and Development Expenses

Our research and development expenses increased by 6.8% from RMB21.7 million in 2023 to RMB23.2 million in 2024, primarily due to an increase in employee benefits expenses, as the number of R&D personnel increased, so as to support the continued development and upgrade of our digital platforms and related systems.

Net Impairment Reversals/(Losses) on Financial Assets

We recorded net impairment reversals on financial assets of RMB2.1 million in 2023, which turned into net impairment losses of RMB12.9 million in 2024, primarily due to impairment losses recognized on receivables from certain customers in our commodity trading business in 2024.

Other Income

Our other income increased by 139.0% from RMB71.5 million in 2023 to RMB170.9 million in 2024, primarily due to (i) an increase in government grants received from local government authorities mainly for our construction activities, (ii) an increase in interest income, and (iii) an increase in dividend income.

Other Gains, Net

Other gains, net decreased by 44.7% from RMB221.3 million in 2023 to RMB122.5 million in 2024, primarily due to (i) the absence of provisions reversed in 2024, and (ii) a decrease in net gains/(losses) on disposal of property, plant and equipment and other long-term assets.

Operating Profit

Our operating profit increased from RMB2,297.9 million in 2023 to RMB3,968.7 million in 2024, in line with gross profit growth.

Finance Costs, Net

Our finance costs, net decreased by 20.7% from RMB125.7 million in 2023 to RMB99.7 million in 2024, primarily due to (i) an increase in capitalized finance costs and (ii) a decrease in interest expenses on borrowings, partially offset by a decrease in finance income from financial assets held for cash management purposes.

Share of Profit of Investments in Associates and Joint Ventures

Our share of profit of investments in associates and joint ventures decreased by 84.6% from RMB1,035.9 million in 2023 to RMB159.7 million in 2024, primarily due to the underperformance of certain of our associates and joint ventures.

Income Tax Expense

Our income tax expense increased by 80.5% from RMB526.7 million in 2023 to RMB950.5 million in 2024, in line with our business growth.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 14.8% from RMB2,681.4 million in 2023 to RMB3,078.2 million in 2024.

FINANCIAL INFORMATION

DISCUSSION OF KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth selected information from our summary consolidated balance sheet as of the dates indicated, which has been extracted from our audited consolidated financial statements included in Appendix I to this Document:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Total non-current assets	29,626,431	29,434,484	29,546,362
Total current assets	6,592,516	9,733,977	14,859,074
Total assets	36,218,947	39,168,461	44,405,436
Total non-current liabilities	4,782,561	1,026,841	8,333,855
Total current liabilities	13,732,448	17,569,160	13,042,890
Total liabilities	18,515,009	18,596,001	21,376,745

Non-Current Assets and Liabilities

The following table sets forth our non-current assets and liabilities as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Non-current assets			
Property, plant and equipment	7,368,323	7,414,658	8,307,132
Investment properties	6,002,402	6,911,797	6,355,808
Right-of-use assets	6,250,738	5,143,626	4,664,361
Deferred tax assets	115,357	62,120	65,685
Intangible assets	472,085	481,006	482,164
Investment in associates and joint ventures	7,022,780	6,947,117	6,436,773
Equity investments at fair value through other comprehensive income	556,897	671,036	661,002
Other financial assets at fair value through profit or loss	1,421,570	1,481,882	1,595,640
Restricted cash and term deposits	—	—	316,807
Prepayments and other receivables	278,027	293,208	263,820
Other non-current assets	138,252	28,034	397,170
Total non-current assets	29,626,431	29,434,484	29,546,362
Non-current liabilities			
Borrowings	4,361,251	657,589	3,255,269
Lease liabilities	176,832	149,984	129,609
Deferred tax liabilities	84,045	68,467	129,242
Deferred income	160,433	150,801	116,223
Contract liabilities	—	—	4,703,512
Total non-current liabilities	4,782,561	1,026,841	8,333,855

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Property, Plant and Equipment

Our property, plant and equipment consisted of (i) buildings, (ii) general equipment (iii) motor vehicles, (iv) construction in progress and (v) others. Our property, plant and equipment increased by 0.6% from RMB7,368.3 million as of December 31, 2023 to RMB7,414.7 million as of December 31, 2024, primarily due to an increase in construction in progress in relation to the Global Digital Trade Center in 2024, partially offset by a decrease in buildings and general equipment attributable to the disposal of Haicheng CCC. For the details of the disposal of Haicheng CCC, see “History, Development and Corporate Structure — Material Acquisitions and Disposals — Disposal of Xingchen Enterprise Management.” Our property, plant and equipment increased by 12.0% from RMB7,414.7 million as of December 31, 2024 to RMB8,307.1 million as of December 31, 2025, primarily due to the completion of the Global Digital Trade Center in 2025.

Investment Properties

Our investment properties consisted of (i) completed investment properties, (ii) land use right and (iii) properties under construction. Our investment properties increased by 15.2% from RMB6,002.4 million as of December 31, 2023 to RMB6,911.8 million as of December 31, 2024, primarily due to the completion of the Yiwu Cross-border E-commerce Logistics Park (S2) and International Digital Logistics Market. Our investment properties decreased by 8.0% from RMB6,911.8 million as of December 31, 2024 to RMB6,355.8 million as of December 31, 2025, primarily due to the disposal of the Yiwu Cross-border E-commerce Logistics Park (S3).

The investment properties are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method to write off the cost to its residual value over its estimated useful life. See Note 20 of the Accountants’ Report in Appendix I to this Document.

Right-of-Use Assets

Our right-of-use assets primarily consisted of (i) land use right and (ii) buildings. Our right-of-use assets decreased by 17.7% from RMB6,250.7 million as of December 31, 2023 to RMB5,143.6 million as of December 31, 2024, and further decreased by 9.3% to RMB4,664.4 million as of December 31, 2025, primarily due to the amortization of land use rights.

Investment in Associates and Joint Ventures

Our investment in associates and joint ventures remained relatively stable at RMB7,022.8 million and RMB6,947.1 million as of December 31, 2023 and 2024, respectively. Our investment in associates and joint ventures decreased by 7.3% from RMB6,947.1 million as of December 31, 2024 to RMB6,436.8 million as of December 31, 2025, primarily due to dividends received from our associates and joint ventures.

FINANCIAL INFORMATION

Net Current Assets

The following table sets forth our current assets and liabilities as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB in thousands)			(Unaudited)
Current assets				
Inventories	1,247,244	1,357,787	2,385,330	1,578,056
Trade and notes receivables	592,858	497,320	437,843	432,632
Prepayments and other receivables	1,102,894	1,215,747	1,726,681	3,191,824
Wealth management products	—	400,317	1,785,358	240,065
Other financial assets at fair value through profit or loss	15,131	—	308,282	308,282
Entrusted loans	48,073	—	48,073	48,073
Restricted cash and term deposits	12,556	10,823	2,531,139	2,032,981
Cash and cash equivalents	2,910,179	5,528,369	4,284,850	2,982,676
Other current assets	663,581	723,614	1,351,518	1,035,616
Total current assets	6,592,516	9,733,977	14,859,074	11,850,205
Current liabilities				
Borrowings	4,800,913	6,812,863	96,475	60,662
Received in advance	229,057	212,008	235,488	215,372
Trade payables	1,390,255	1,469,718	1,995,927	1,753,666
Contract liabilities	4,439,887	5,932,996	7,465,755	7,930,089
Lease liabilities	23,637	21,432	24,513	23,934
Current income tax liabilities	179,051	430,072	381,645	286,319
Accruals and other payables	2,545,222	2,464,692	2,658,820	2,178,635
Other current liabilities	124,426	225,379	184,267	196,755
Total current liabilities	13,732,448	17,569,160	13,042,890	12,645,432
Net current (liabilities)/assets	(7,139,932)	(7,835,183)	1,816,184	(795,227)

Our net current liabilities increased by 9.7% from RMB7,139.9 million as of December 31, 2023 to RMB7,835.2 million as of December 31, 2024, primarily due to (i) an increase in borrowings of RMB2,012.0 million, and (ii) an increase in contract liabilities of RMB1,493.1 million, partially offset by an increase in cash and cash equivalents of RMB2,618.2 million.

Our net current liabilities of RMB7,835.2 million as of December 31, 2024 turned to net current assets of RMB1,816.2 million as of December 31, 2025, primarily due to (i) a decrease in borrowings of RMB6,716.4 million, (ii) an increase in restricted cash and term deposits of RMB2,520.3 million, (iii) an increase in wealth management products of RMB1,385.1 million and (iv) an increase in inventories of RMB1,027.5 million, partially offset by (i) an increase in contract liabilities of RMB1,532.8 million, (ii) a decrease in cash and cash equivalents of RMB1,243.5 million, and (iii) an increase in trade payables of RMB526.2 million.

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Our net current assets of RMB1,816.2 million as of December 31, 2025 turned to net current liabilities of RMB795.2 million as of March 31, 2026, primarily due to (i) a decrease in wealth management products of RMB1,545.3 million, (ii) a decrease in cash and cash equivalents of RMB1,302.2 million, (iii) a decrease in inventories of RMB807.2 million and (iv) a decrease in restricted cash and term deposits of RMB1,302.2 million, partially offset by (i) an increase in prepayments and other receivables of RMB1,465.1 million and (ii) a decrease in accruals and other payables of RMB480.2 million.

Inventories

Our inventories consisted of (i) commodities in inventory, (ii) properties under development, (iii) completed properties held for sale, and (iv) others. The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Commodities in inventory	162,423	542,330	1,060,565
Properties under development	67,478	814,545	803,960
Completed properties held for sale	1,041,444	—	520,741
Others	4,202	912	64
	1,275,547	1,357,787	2,385,330
Less: provision for impairment	(28,303)	—	—
Total	1,247,244	1,357,787	2,385,330

Our inventories increased by 8.9% from RMB1,247.2 million as of December 31, 2023 to RMB1,357.8 million as of December 31, 2024, primarily due to (i) an increase in commodities in inventory and (ii) an increase in properties under development, in line with our business growth, partially offset by a decrease in completed properties held for sale in relation to the disposal of Haicheng CCC in 2024. Our inventories increased by 75.7% from RMB1,357.8 million as of December 31, 2024 to RMB2,385.3 million as of December 31, 2025, primarily due to (i) an increase in commodities in inventory and (ii) an increase in completed properties held for sale in relation to the completion of the Global Digital Trade Center.

The following table sets forth an aging analysis of our commodities in inventory as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Within 1 year	162,423	542,330	1,060,565
Total	162,423	542,330	1,060,565

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The following table sets forth our inventory turnover days for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Inventory turnover days ⁽¹⁾	57.9	45.1	50.5
— Commodities in inventory turnover days	10.1	14.0	29.5

Note:

- (1) Inventory turnover days are calculated using the average of opening balance and closing balance of inventories for a year divided by cost of revenue for the relevant year and multiplied by 365.

Our inventory turnover days decreased from 57.9 days in 2023 to 45.1 days in 2024, primarily due to a decrease in completed properties held for sale in relation to the disposal of Haicheng CCC in 2024, partially offset by an increase in properties under development, in line with our business growth. Our inventory turnover days increased from 45.1 days in 2024 to 50.5 days in 2025, primarily due to (i) an increase in commodities in inventory, in line with our commodity sales business growth, and (ii) an increase in completed properties held for sale primarily in relation to the Global Digital Trade Center. Our commodities in inventory turnover days increased from 10.1 days in 2023 to 14.0 days in 2024, and further to 29.5 days in 2025, primarily due to an increase in commodities in inventory, in line with our commodity sales business growth. In particular, the increase in our commodities in inventory turnover days in 2025 was mainly attributable to an increase in stock up of products in anticipation of market demand.

As of March 31, 2026, RMB1,182.3 million, or 49.6% of inventory and others as of December 31, 2025, had been used, consumed or sold. As of March 31, 2026, RMB847.8 million, or 79.9% of commodities in inventory as of December 31, 2025, had been used, consumed or sold.

Trade and Notes Receivables

Our trade and notes receivables primarily consisted of (i) trade receivables and (ii) notes receivables. The following table sets forth a breakdown of our trade and notes receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Trade receivables	599,304	506,233	468,614
Notes receivables	—	11,170	—
Less: credit loss allowance	(6,446)	(20,083)	(30,771)
Total	592,858	497,320	437,843

Our trade and notes receivables decreased by 16.1% from RMB592.9 million as of December 31, 2023, to RMB497.3 million as of December 31, 2024 and further decreased by 12.0% to RMB437.8 million as of December 31, 2025, primarily due to a decrease in trade receivables, attributable to the enhanced efforts in following up with our customers in relation to payments.

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For certain customers, we have engaged in credit sales them during the Track Record Period and we usually grant credit terms ranging from 30 to 365 days. We seek to maintain strict control over our outstanding receivables. Our credit control department is responsible for minimizing credit risks. Overdue balances are reviewed regularly by senior management. The following table sets forth an aging analysis of our trade receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Within 1 year	587,700	410,915	424,032
1 to 2 years	10,408	85,737	16,754
2 to 3 years	1,196	8,465	20,087
Over 3 years	—	1,116	7,741
Total	599,304	506,233	468,614

The following table sets forth our trade and notes receivables turnover days for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Trade and notes receivables turnover days ⁽¹⁾	13.2	13.2	9.1

Note:

- (1) Trade and notes receivables turnover days are calculated using the average of opening balance and closing balance of trade and notes receivables for a year divided by revenue for the relevant year and multiplied by 365.

Our trade and notes receivables turnover days remained relatively stable at 13.2 days and 13.2 days in 2023 and 2024, respectively. Our trade and notes receivables turnover days decreased from 13.2 days in 2024 to 9.1 days in 2025, primarily due to the enhanced efforts in following up with our customers in relation to payments.

As of March 31, 2026, RMB155.4 million, or 35.5% of our trade and notes receivables as of December 31, 2025, had been settled.

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Prepayments and Other Receivables

Our prepayments and other receivables primarily consisted of (i) prepayments, and (ii) other receivables. The following table sets forth a breakdown of our prepayments and other receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Non-current			
Other receivables:			
Deposits	7,271	7,368	8,554
Due from joint ventures	270,756	285,840	255,266
	278,027	293,208	263,820
Current			
Prepayments:			
Prepayments for commodities in inventory	975,767	1,015,669	1,537,011
Prepayments for properties under development	—	66,634	—
Prepayments for operating expenses	10,295	15,792	—
	986,062	1,098,095	1,537,011
Other receivables:			
Withheld and paid expenses and deposits	107,985	106,113	160,805
Export tax refund	9,508	12,325	30,243
Others	3,581	2,674	2,104
	121,074	121,112	193,152
Less: provision for impairment	(4,242)	(3,460)	(3,482)
	116,832	117,652	189,670
Total	1,102,894	1,215,747	1,726,681

Our prepayments and other receivables increased by 10.2% from RMB1,102.9 million as of December 31, 2023 to RMB1,215.7 million as of December 31, 2024, and further increased by 42.0% from to RMB1,726.7 million as of December 31, 2025, primarily due to an increase in prepayments for commodities in inventory, in line with our commodity sales business growth.

As of March 31, 2026, RMB1298.9 million, or 65.3% of our prepayments and other receivables as of December 31, 2025, had been settled.

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Other Financial Assets at Fair Value Through Profit or Loss

Our other financial assets at fair value through profit or loss during the Track Record Period mainly consisted of unlisted equity shares, private equity fund investments, wealth management products and listed equity shares at FVPL. See Note 15 to the Accountants’ Report included in Appendix I to this Document. The financial product portfolio could be subject to the impact of macroeconomic environment conditions, and we monitor the portfolio mix closely. See “Risk Factors — Risks Relating to Our Business and Industry — We are exposed to fair value changes in our financial assets at fair value through profit or loss (“FVPL”).”

The following table sets forth details of our financial assets at FVPL as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Non-current:			
Assets			
Other financial assets at FVPL:			
— Unlisted equity shares	199,087	239,850	231,372
— Private equity fund investments	<u>1,222,483</u>	<u>1,242,032</u>	<u>1,364,268</u>
	<u>1,421,570</u>	<u>1,481,882</u>	<u>1,595,640</u>
Current:			
Assets			
Wealth management products	—	400,317	1,785,358
Listed equity shares at FVPL	<u>15,131</u>	<u>—</u>	<u>308,282</u>
	<u>15,131</u>	<u>400,317</u>	<u>2,093,640</u>

Our investment policies and strategies with respect to financial products mainly include: (i) our investments in financial products are carried out only after ensuring that they do not interfere with our day-to-day operations, capital deployment or overall financial stability; (ii) high-risk investment products are not permitted; and (iii) the financial products in which we invest are issued by financial institutions that are legally established and approved by relevant PRC authorities and that possess good qualifications, relatively large operational scale and sound credit standing. We primarily invest in low-risk wealth management products with relatively high liquidity issued by financial institutions. We make investment decisions in respect of financial products on a case-by-case basis in accordance with our internal policies and procedures, after analysing the risk and return characteristics of the proposed products and taking into account our internal funding position.

Upon the [REDACTED], we intend to continue our investments strictly in accordance with our internal control policy and Articles of Association and, to the extent that such investment is a notifiable transaction under Chapter 14 of the Listing Rules, our Company will comply with the relevant requirements under Chapter 14 of the Listing Rules, including the announcement, reporting and/or shareholders’ approval requirements (if applicable).

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Trade Payables

Our trade payables consist of (i) payables for construction and equipment, (ii) payables for hospitality services, (iii) payables for commodity and (iv) others. The following table sets forth a breakdown of our trade payables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Payables for construction and equipment	1,338,245	1,325,633	1,765,594
Payables for hospitality services	29,601	22,985	40,193
Payables for commodity	12,023	107,378	75,247
Others	10,386	13,722	114,893
Total	<u>1,390,255</u>	<u>1,469,718</u>	<u>1,995,927</u>

The trade payables are typically settled within three months. The following table sets forth an aging analysis of our trade payables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Within 1 year	1,214,401	1,062,606	1,585,548
1 to 2 years	63,310	313,146	124,981
2 to 3 years	84,745	13,978	193,017
Over 3 years	27,799	79,988	92,381
Total	<u>1,390,255</u>	<u>1,469,718</u>	<u>1,995,927</u>

The following table sets forth our trade payables turnover days for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Trade payables turnover days ⁽¹⁾	56.7	49.0	46.8

Note:

- (1) Trade payables turnover days are calculated using the average of opening balance and closing balance of trade payables for a year divided by cost of revenue used for the relevant year and multiplied by 365.

Our trade payables turnover days decreased from 56.7 days in 2023 to 49.0 days in 2024 and further to 46.8 days in 2025, primarily due to our enhanced settlement with our suppliers.

As of March 31, 2026, RMB363.6 million, or 18.2% of our trade payables as of December 31, 2025, had been settled.

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Contract Liabilities (Current)

Our contract liabilities (current) represent advance payments (excluding output VAT) made by customers while the underlying goods and/or services are yet to be provided. Our contract liabilities amounted to RMB4,439.9 million, RMB5,933.0 million and RMB7,465.8 million as of December 31, 2023, 2024 and 2025, respectively.

As of March 31, 2026, RMB3,005.2 million, or 40.3% of our contract liabilities (current) as of December 31, 2025, had been recognized as revenue.

Accruals and Other Payables (Current)

Our accruals and other payables primarily consisted of (i) salaries, wages and benefits, (ii) accruals and others, (iii) deposits payables, (iv) amount due to equity investment at FVPL, associates and joint ventures, (v) other tax payables and (vi) customer reserves. The following table sets forth a breakdown of our other payables and accruals as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Current			
Salaries, wages and benefits	148,473	177,498	305,568
Accruals and others	355,567	259,059	290,509
Repurchase obligation of share incentive	74,367	33,828	—
Deposits payables	490,913	483,643	543,736
Amount due to equity investment at FVPL, associates and joint ventures	977,173	924,273	182,827
Other tax payables	169,134	196,478	378,879
Customer reserves	324,726	377,046	928,101
Dividends	4,737	4,737	5,767
Others	132	8,130	23,433
Total	2,545,222	2,464,692	2,658,820

Our accruals and other payables (current) decreased by 3.2% from RMB2,545.2 million as of December 31, 2023 to RMB2,464.7 million as of December 31, 2024, primarily due to a decrease in accruals and others attributable to the settlement of certain previously accrued operating expenses in 2024. Our other payables and accruals (current) increased by 7.9% from RMB2,464.7 million as of December 31, 2024 to RMB2,658.8 million as of December 31, 2025, primarily due to (i) an increase in salaries, wages and benefits, attributable to an increase in the number of employees, to support our business growth, and (ii) an increase in customer reserves attributable to higher customer reserve funds in Yiwu Pay, partially offset by (iii) a decrease in amount due to equity investment at FVPL, associates and joint ventures attributable to dividend distributions. received, which reduced the year-end payable balance

LIQUIDITY AND CAPITAL RESOURCES

We have historically funded our cash requirements principally from proceeds from our business operations. After the [REDACTED], we intend to finance our future capital requirements through cash generated from our business operations, the net [REDACTED] from the [REDACTED] and bank loans. We do not anticipate any adverse changes to the availability of financing to fund our operations in the future.

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Cash Flow

The following table sets forth a summary of our cash flows for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net cash flows generated from operating activities	1,783,547	4,461,554	10,556,949
Net cash flows (used in)/generated from investing activities	(1,313,482)	1,252,591	(5,677,192)
Net cash flows generated from/(used in) financing activities	460,484	(3,095,033)	(6,105,628)
Cash and cash equivalents at beginning of year	1,981,201	2,910,179	5,528,369
Effects of exchange rate changes on cash and cash equivalents	(1,571)	(922)	(17,648)
Cash and cash equivalents at end of year	2,910,179	5,528,369	4,284,850

Net Cash Flows Generated From Operating Activities

In 2025, we had net cash generated from operating activities of RMB10,556.9 million, which comprises our (i) cash generated from operations of RMB11,634.0 million and (ii) interest received of RMB25.2 million, as adjusted by (i) the non-cash and non-operating items, primarily comprising depreciation and amortization of non-current assets of RMB1,002.0 million, finance costs of RMB79.5 million, fair value losses on other financial assets of RMB247.7 million, share of profit of associates, net of RMB199.6 million and interest income of RMB93.3 million; (ii) changes in working capital, which primarily comprised increase in payables of RMB5,922.3 million and decrease in receivables of RMB229.9 million, partially offset by increase in inventories of RMB357.2 million.

In 2024, we had net cash generated from operating activities of RMB4,461.6 million, which comprises our (i) cash generated from operations of RMB5,183.1 million, and (ii) interest received of RMB42.1 million, as adjusted by (i) the non-cash and non-operating items, primarily comprising depreciation and amortization of non-current assets of RMB890.3 million, finance costs of RMB141.8 million, share of profit of associates, net of RMB159.7 million and interest income of RMB42.1 million, and (ii) changes in working capital, which primarily comprised increase in payables of RMB2,303.0 million, partially offset by increase in inventories of RMB1,142.7 million and increase in receivables of RMB654.4 million.

In 2023, we had net cash generated from operating activities of RMB1,783.5 million, which comprises our (i) cash generated from operations of RMB1,964.4 million and (ii) interest received of RMB67.4 million, as adjusted by (i) the non-cash and non-operating items, primarily comprising depreciation and amortization of non-current assets of RMB888.1 million, finance costs of RMB193.1 million, fair value gains on other financial assets at FVPL of RMB52.4 million, share of profit of associates, net of RMB1,035.9 million, net gains on disposal of property, plant and equipment and other non-current assets of RMB139.1 million and interest income of RMB67.4 million; (ii) changes in working capital, which primarily comprised decrease in inventories of RMB83.1 million, partially offset by increase in receivables of RMB767.9 million and decrease in payables of RMB408.0 million.

Net Cash Flows (Used in)/Generated From Investing Activities

In 2025, our net cash flows used in investing activities was RMB5,677.2 million, which was primarily attributable to placement of wealth management products of RMB3,630.0 million, partially offset by a withdrawal of wealth management products of RMB2,256.2 million.

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In 2024, our net cash flows generated from investing activities was RMB1,252.6 million, which was primarily attributable to recovery of intercompany loans from a subsidiary subsequent to its disposal of RMB2,573.5 million, partially offset by payments for purchase of property, plant and equipment, intangible assets and other non-current assets of RMB1,500.3 million.

In 2023, our net cash flows used in investing activities was RMB1,313.5 million, which was primarily attributable to payments for purchase of property, plant and equipment, intangible assets and other non-current assets of RMB2,627.6 million, partially offset by proceeds from amount due from equity investment at FVPL and associate and joint venture of RMB587.3 million.

Net Cash Flows Generated From/(Used in) Financing Activities

In 2025, our net cash flows used in financing activities were RMB6,105.6 million, primarily attributable to (i) repayments of borrowings of RMB7,875.4 million and (ii) dividends paid to the Company’s shareholders of RMB1,809.6 million, partially offset by proceeds from borrowings of RMB3,798.3 million.

In 2024, our net cash flows used in financing activities were RMB3,095.0 million, primarily attributable to (i) repayments of borrowings of RMB8,038.9 million, (ii) dividends paid to the Company’s shareholders of RMB1,096.6 million and (iii) interest paid of RMB317.4 million, partially offset by proceeds from borrowings of RMB6,393.4 million.

In 2023, our net cash flows generated from financing activities were RMB460.5 million, primarily attributable to proceeds from borrowings of RMB7,593.6 million, partially offset by (i) repayments of borrowings of RMB6,495.2 million, (ii) dividends paid to the Company’s shareholders of RMB356.6 million and (iii) interest paid of RMB243.5 million.

INDEBTEDNESS

The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB in thousands)			(Unaudited)
Non-Current				
Borrowings	4,361,251	657,589	3,255,269	3,100,466
Lease liabilities	176,832	149,984	129,609	125,870
Current				
Borrowings	4,800,913	6,812,863	96,475	60,662
Lease liabilities	23,637	21,432	24,513	23,934
Total	9,362,633	7,641,868	3,505,866	3,310,932

Our Directors confirmed that there has not been any material adverse change in our indebtedness since March 31, 2026 to the date of this Document. As of the Latest Practicable Date, there was no material restrictive covenant in our indebtedness which could significantly limit our ability to obtain future financing, nor was there any material default on our indebtedness or breach of covenant during the Track Record Period and up to the Latest Practicable Date. As of the Latest Practicable Date, except for bank borrowings, we did not have plans for other material external debt financing.

FINANCIAL INFORMATION

Except as disclosed in this section, as of March 31, 2026, being the latest practicable date for determining our indebtedness, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities.

Borrowings

As of December 31, 2023, 2024 and 2025 and March 31, 2026, we had borrowings of RMB9,162.2 million, RMB7,470.5 million, RMB3,351.7 million and RMB3,161.1 million, respectively, mainly representing bonds, short-term commercial paper and unsecured bank borrowings, primarily to supplement our working capital. Our borrowings are all denominated in Renminbi. For the effective interest rate on our borrowings during the Track Record Period, see Note 31 to the Accountants’ Report in Appendix I to this Document. As of the Latest Practicable Date, our unutilized banking facilities amounted to RMB2,719.4 million.

Our Directors confirm that there was no material covenant on any of our outstanding debt as of the Latest Practicable Date, and there was no breach of any covenants during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirm that we did not experience any unusual difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Lease Liabilities

As of December 31, 2023, 2024 and 2025 and March 31, 2026, our total lease liabilities amounted to RMB200.5million, RMB171.4 million, RMB154.1 million and RMB149.8 million, respectively.

Our total lease liabilities decreased by 14.5% from RMB200.5 million as of December 31, 2023 to RMB171.4 million as of December 31, 2024, primary due to (i) shorter remaining lease terms, which led to a lower outstanding lease liability balance, and (ii) the settlement of certain lease liabilities. Our total lease liabilities decreased by 10.1% from RMB171.4 million as of December 31, 2024 to RMB154.1 million as of December 31, 2025, primarily due to (i) shorter remaining lease terms, which led to a lower outstanding lease liability balance, and (ii) the settlement of certain lease liabilities.

Contingent Liabilities

We did not have any material contingent liabilities as of December 31, 2023, 2024 and 2025.

Indebtedness Statement

Except as disclosed above, as of March 31, 2026, being the latest practicable date for determining our indebtedness, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. Our Directors have confirmed that there has been no material change in our indebtedness since March 31, 2026 and up to the Latest Practicable Date.

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KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the years indicated or as of the dates indicated:

	As of/For the Year ended December 31,		
	2023	2024	2025
Gross profit margin (%) ⁽¹⁾	26.4	31.2	31.4
Net profit margin (%) ⁽²⁾	23.8	19.9	21.4
Return on equity (%) ⁽³⁾	16.2	16.1	19.3
Gearing ratio (%) ⁽⁴⁾	52.9	37.1	15.2

Notes:

- (1) Gross profit margin equals gross profit for the year divided by revenues for the respective year and multiplied by 100%.
- (2) Net profit margin equals profit for the year divided by revenues for the respective year and multiplied by 100%.
- (3) Return on equity equals profit attributable to owners of the company for the year divided by average balance of equity attributable to owners of the company at the beginning and the end of the respective year and multiplied by 100%.
- (4) Gearing ratio equals total debt by end of the year divided by total equity by the end of the respective year and multiplied by 100%. Total debt includes borrowings and lease liabilities.

Return on Equity

Our return on equity remained relatively stable at 16.2% and 16.1% as of December 31, 2023 and 2024, respectively.

Our return on equity increased from 16.1% as of December 31, 2024 to 19.3% as of December 31, 2025, primarily due to an increase in our profit for the year.

Gearing Ratio

Our gearing ratio decreased from 52.9% as of December 31, 2023 to 37.1% as of December 31, 2024, primarily due to (i) a decrease in our total debt from RMB9,362.6 million as of December 31, 2023 to RMB7,641.9 million as of December 31, 2024, and (ii) an increase in our total equity from RMB17,703.9 million as of December 31, 2023 to RMB20,572.5 million as of December 31, 2024.

Our gearing ratio decreased from 37.1% as of December 31, 2024 to 15.2% as of December 31, 2025, primarily due to (i) a decrease in our total debt from RMB7,641.9 million as of December 31, 2024 to RMB3,505.9 million as of December 31, 2025, and (ii) an increase in our total equity from RMB20,572.5 million as of December 31, 2024 to RMB23,028.7 million as of December 31, 2025.

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CAPITAL EXPENDITURES

During the Track Record Period, our capital expenditures consisted of (i) property, plant and equipment, (ii) investment properties, (iii) intangible assets and (iv) right-of-use assets. The following table sets forth our capital expenditure for the years indicated:

	Years ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Property, plant and equipment	1,516,319	1,083,704	1,448,798
Investment properties	1,299,879	378,446	572,311
Intangible assets	44,826	34,912	28,272
Right-of-use assets	316	103,098	297,639
Total	<u>2,861,340</u>	<u>1,600,160</u>	<u>2,347,020</u>

In 2023, 2024 and 2025, our capital expenditures were RMB2,861.3 million, RMB1,600.2 million and RMB2,347.0 million, respectively. We funded these expenditures mainly with cash generated from our operations and bank borrowings.

Following the [REDACTED], we will continue to incur capital expenditures to grow our business. We plan to fund our planned capital expenditures primarily with cash flows generated from our operations, bank borrowings, and the net [REDACTED] received from the [REDACTED]. See “Future Plans and Use of [REDACTED].” We may adjust our capital expenditures for any given year according to our development plans or in light of market conditions and other factors we believe to be appropriate.

CAPITAL COMMITMENTS

During the Track Record Period, our capital commitments consisted of (i) commitments in respect of property, plant and equipment, (ii) equity investment commitments, our capital commitments were RMB4,666.8 million, RMB4,159.9 million and RMB5,072.3 million, respectively. See Note 45 to the Accountants’ Report in Appendix I to this Document.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. For details about our related party transactions during the Track Record Period, see Note 46 to Appendix I to this Document.

Our Directors are of the view that each of the related party transactions set out in Note 46 to the Accountants’ Report in Appendix I to this Document was conducted in the ordinary course of business on an arm’s-length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or make our historical results not reflective of our future performance.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements. We also have not entered into any financial guarantees or other commitments to guarantee the payment obligations of third parties. In addition, we have not entered into any derivative contracts that are indexed to our equity interests and classified as owners’ equity. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit,

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liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or that engages in leasing, hedging or research and development services with us.

PROPERTY INTERESTS AND PROPERTY VALUATION REPORT

Cushman & Wakefield Limited, an independent property valuer, has valued our selected property interests as of February 28, 2026. For details of the valuation, see Appendix III to this Document.

The following table sets forth a reconciliation of the fair value of the selected property interests as of February 28, 2026 set out in Appendix III to this Document and their respective net book value as of December 31, 2025 included in the Accountants’ Report as set out in Appendix I to this Document:

	RMB in millions
Net book value of our selected property interests as of December 31, 2025	15,209
Movement during the period from December 31, 2025 to February 28, 2026 (unaudited)	3,072
Net book value of our selected property interests as of February 28, 2026 (unaudited)	18,281
Valuation surplus ⁽¹⁾	19,723
Market value of our selected property interests as of February 28, 2026 as set forth in the property valuation report	38,004

Note:

- (1) The valuation surplus was not recorded in our financial statements as our properties were stated at cost less accumulated depreciation and any impairment losses.

FINANCIAL RISKS DISCLOSURE

The main risks arising from our Group’s financial instruments are market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. Our Group’s overall risk management seeks a balance between risk and return, minimizes the adverse impact of risk on our Group’s finance performance and maximizes the interests of shareholders and other equity investors. Based on this risk management objective, the basic strategy of our Group’s risk management is to identify and analyze the various risks faced by our Group, establish appropriate risk tolerance thresholds and timely and reliably supervise various risks to control them within a limited range. See Note 3 to the Accountants’ Report in Appendix I to this Document.

DIVIDENDS AND DIVIDEND POLICY

Any declaration and payment, as well as the amount of dividends, will be subject to our existing articles of association and will adhere to our Articles of Association which will take effect upon [REDACTED], as well as the relevant PRC laws. In 2023, 2024 and 2025, we paid dividends of RMB356.6 million, RMB1,096.6 million and RMB1,809.6 million, respectively.

Pursuant to our existing articles of association, we may distribute profits in cash, by way of shares, or a combination of cash and shares, and we will generally prioritize cash dividends where the relevant conditions are satisfied and the payment will not affect our ability to continue as a going concern. our Board will determine the amount and timing of any dividends after taking into account our operating results, financial condition, cash flows, funding needs and other relevant factors at the time. Specifically, the minimum cash dividend ratio shall generally be not less than (i) 80% if we are at a mature stage with no material capital expenditure arrangements, (ii) 40% if we are at a mature stage with material capital expenditure arrangements, or (iii) 20% if we are at a growth stage with material

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capital expenditure arrangements. In addition, in connection with any public offering of new shares, issuance of convertible company bonds or rights issue, we are required to have distributed, on a cumulative basis, no less than 30% of our average distributable profits for the most recent three financial years in cash. We currently do not have any formal dividend policy other than the above and do not have any fixed dividend pay-out ratio.

WORKING CAPITAL CONFIRMATION

Our Directors are of the opinion that, taking into account the net [REDACTED] from the [REDACTED] and the financial resources available to us, including cash and cash equivalents, we have sufficient working capital for our present requirements, that is at least 12 months from the date of this Document.

DISTRIBUTABLE RESERVES

As of December 31, 2025, our distributable reserves amounted to RMB12,486.7 million.

[REDACTED]

[REDACTED] represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. We estimate that our [REDACTED] will be approximately RMB[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED]) and no exercise of the [REDACTED]), representing [REDACTED] of the gross [REDACTED] (based on the mid-point of our indicative [REDACTED] for the [REDACTED] and assuming that the [REDACTED] is not exercised) of the [REDACTED]. We did not incur any [REDACTED] in relation to the [REDACTED] during the Track Record Period. Our Directors do not expect such [REDACTED] to materially impact our results of operations in 2026. By nature, our [REDACTED] are composed of (i) [REDACTED] of approximately RMB[REDACTED], and (ii) non-[REDACTED] related expenses of approximately RMB[REDACTED], which consist of fees and expenses of legal advisors and Reporting Accountants of approximately RMB[REDACTED] and other fees and expenses of approximately RMB[REDACTED].

[REDACTED] ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See “Appendix II — [REDACTED] Financial Information.”

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that up to the date of this Document there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the end date of the periods reported in Appendix I to this Document, and there has been no event since December 31, 2025 that would materially affect the information as set out in the Accountants’ Report in Appendix I to this Document.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that, except as otherwise disclosed in this Document as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

See “Business — Our Strategies” for a detailed discussion of our future plans.

USE OF [REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the stated range of the [REDACTED] between HK\$[REDACTED] and HK\$[REDACTED] per [REDACTED]), we estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] from the [REDACTED] after deducting the [REDACTED], fees and other estimated expenses in connection with the [REDACTED] and assuming the [REDACTED] is not exercised. In line with our strategies, we intend to use our [REDACTED] from the [REDACTED] for the following purposes:

- Approximately [REDACTED] of the [REDACTED], or approximately HK\$[REDACTED], will be used for supporting our overseas integrated business expansion. In line with our international development strategy, we plan to accelerate the establishment of overseas sub-markets, expand our product display network, and enhance our global fulfilment capabilities across Europe, Latin America and ASEAN. In particular:
 - o Approximately [REDACTED] of the [REDACTED], or approximately HK\$[REDACTED], will be used for establishing additional overseas sub-markets in key cities and emerging markets. We plan to promote the Yiwu China Commodities City brand, together with our operational expertise and management systems, to our overseas partners, with the aim of building a global network of physical marketplaces across Europe, Latin America and ASEAN. This initiative is expected to strengthen our presence in overseas markets and support the development of our digital trade platform. Our plans include:
 - (i) *Providing full-lifecycle project development and management support.* Leveraging the Yiwu China Commodities City brand, we plan to deliver full lifecycle project development and management support to overseas partners, spanning feasibility analysis, strategic consulting, design and planning, as well as merchant recruitment and operational management, through a combination of brand licensing, joint development and management output.
 - (ii) *Establishing “Front Shop, Back Warehouse” physical trade hubs.* Drawing on the successful experience of our overseas landmark project, the Dubai Yiwu China Commodities City, we plan to adopt a localized “front shop, back warehouse (前店後倉)” layout, with a view to transforming overseas sub-markets in key regions into product display centers, cargo distribution hubs and logistics transshipment centers for Chinese consumer goods.
 - (iii) *Expanding our overseas network in key regions.* We plan to continue to identify and develop suitable overseas commercial and trade opportunities, and further establish a systematic and end-to-end overseas network, to support the development of a reliable overseas physical trade infrastructure platform.

Over the next three to five years, we plan to establish 20 overseas sub-markets, subject to local market conditions and implementation arrangements. Each overseas sub-market is expected to feature product display areas and basic on-site trade facilitation services, and will be operated by local teams and/or local operating partners where appropriate, with the support of our ecosystem and onshore teams in China.

FUTURE PLANS AND USE OF [REDACTED]

- o Approximately [REDACTED] of the [REDACTED], or approximately HK\$[REDACTED], will be used for expanding the Yiwu Selection overseas showroom network. We plan to proactively bring Yiwu Market’s “One-Stop Selection (一盤好貨)”, a curated, high-quality supply chain resource closer to overseas markets and integrate it with established local trade channels. Our plans include:
 - (i) *Deploying differentiated overseas showroom formats.* Taking into account the specific market conditions of different countries as well as the capital strength and channel capabilities of prospective partners, we plan to roll out (a) asset-light product showrooms focused on offline product display, sampling, order placement, and brand promotion, and (b) warehouse-backed showrooms that support sample pre-positioning and small-batch, on-the-spot procurement by buyers, so as to address the diversified procurement needs of overseas customers.
 - (ii) *Developing “brand collection stores” to drive premiumization overseas.* In line with the strategic shift from the export of products to the export of “brands, design and quality, ” we plan to select merchants in the Yiwu Market with strong proprietary brands to participate in our “Yiwu Selection Brand Collection Stores”. At the same time, leveraging our close collaboration with the China Council for Brand Development (CCBD), we plan to utilize the “Yiwu Selection Brand Alliance Platform”, a digitalized supply chain platform for brand globalization, to establish an integrated “platform + local” distribution and operations model. This model is expected to facilitate intelligent consolidation of global orders and real-time connectivity across the full value chain, thereby enhancing the overseas brand premium of Chinese daily consumer goods.

Over the next three to five years, we plan to establish a total of 40 overseas showrooms, subject to local market conditions and implementation arrangements.

- o Approximately [REDACTED] of the [REDACTED], or approximately HK\$[REDACTED], will be used for deploying overseas warehousing facilities and establishing a global fulfilment network. We plan to work with professional warehousing operators to build a global logistics fulfillment network that is seamlessly integrated and highly efficient. Our plans include:
 - (i) *Expanding our global warehousing network through innovative models.* We plan to actively implement innovative overseas warehouse development models and steadily expand the scale of our FBC (Fulfillment by CCC) overseas warehousing facilities through diverse approaches including strategic acquisitions, long-term leases and franchise partnerships in our major trading partner countries and key logistics hub cities. Over the next three to five years, we plan to acquire or lease 40 overseas warehouses, subject to the availability of suitable facilities and commercial terms.
 - (ii) *Establishing an efficient cross-border trunk logistics framework.* We plan to connect Yiwu’s domestic origin warehouses with overseas warehouses across global nodes and integrate international logistics resources, including sea freight, air freight and multimodal transportation, to establish a global, end-to-end cross-border multimodal logistics network, thereby effectively shortening delivery cycles and reducing overall logistics costs.

FUTURE PLANS AND USE OF [REDACTED]

- Approximately [REDACTED] of the [REDACTED], or approximately HK\$[REDACTED], will be used for the development, construction and promotion of the Global Trade Services Center. As an early pilot participant under *the Overall Plan for Deepening Comprehensive International Trade Reform*, we plan to leverage policy advantages and resource strengths to establish three core centers, namely, the Integrated Import-Export-Transshipment Center (進出轉融合中心), the Trade-Industry Service Center (貿工城服務中心), and the Culture-Commerce-Tourism Experience Center (文商旅體驗中心). In particular:
 - Approximately [REDACTED] of the [REDACTED], or approximately HK\$[REDACTED], will be used for the development and construction of the Global Trade Services Center. We plan to use the [REDACTED] for site development, construction above and below ground, and related infrastructure build-out. The project is scheduled to commence by the end of 2026 and come into operation by the end of 2029. Our plans include:
 - (i) *Integrating the physical layout of the three core centers.* We plan to carry out site preparation and land levelling, and construct the main structures for each center, and develop above-ground and underground spaces such as car parks and logistics corridors. For each center, we will ensure functional zoning is optimized for their respective uses, such as trade, industry support, and business and cultural activities.
 - (ii) *Building a digital infrastructure for a fully integrated, intelligent international trade ecosystem.* This includes installing digital management systems, smart security and monitoring, and digital signage throughout the Center. We plan to implement digital platforms for product display, order management, trade matchmaking, and integrate logistics, customs clearance, and payment systems to support efficient and transparent operations.
 - Approximately [REDACTED] of the [REDACTED], or approximately HK\$[REDACTED], will be used for the promotion and operation of the Global Trade Services Center. We plan to use the [REDACTED] for tenant recruitment, brand promotion, and initial operational activities before and after project completion, to ensure high-quality opening and stable operations. Our plans include:
 - (i) *Tenant recruitment and business model cultivation.* We plan to systematically screen and attract tenants that align with the project’s positioning, focusing on import traders, leading manufacturers, foreign trade service providers, and high-growth industry operators. We aim to build a diversified tenant ecosystem and provide targeted support.
 - (ii) *Brand promotion and market outreach.* We plan to conduct comprehensive brand promotion and marketing campaigns, including industry exhibitions, overseas roadshows, digital marketing, media operations, and multi-channel advertising, to enhance the project’s visibility and appeal among buyers, traders, and business and tourism visitors.

FUTURE PLANS AND USE OF [REDACTED]

- Approximately [REDACTED] of the [REDACTED], or approximately HK\$[REDACTED], will be used for obtaining overseas financial and payment licenses of Yiwu Pay and the systematic strengthening of our cross-border financial services capabilities, with the aim of establishing secure, compliant, and efficient cross-border fund clearing and settlement channels. In particular:
 - Approximately [REDACTED] of the [REDACTED], or approximately HK\$[REDACTED], will be used for obtaining overseas financial and payment licenses of Yiwu Pay. We plan to use the [REDACTED] to apply for or strategically acquire relevant overseas financial, foreign exchange and payment licenses in major global trade hubs and key cities and emerging markets. We plan to address compliance barriers in cross-border payment activities and establish a compliant settlement network spanning multiple jurisdictions and currencies. Over the next three to five years, we plan to pursue ten overseas licenses and/or registrations, subject to applicable regulatory requirements and commercial feasibility.
 - Approximately [REDACTED] of the [REDACTED], or approximately HK\$[REDACTED], will be used for investments in cross-border payment infrastructure. We plan to continue investing in the construction and upgrading of core nodes and related infrastructure for our cross-border multi-currency payment and settlement network, leveraging advanced financial technology. We plan to enhance the development and deployment of global anti-money laundering systems, big-data-driven intelligent risk control, and compliance systems, with the aim of comprehensively improving Yiwu Pay’s global fund-processing efficiency and transaction security. Over the next three to five years, we plan to further expand our technical team and work closely with technology partners to provide robust support for high-frequency and small-ticket cross-border small-commodity trade.
- Approximately [REDACTED] of the [REDACTED], or approximately HK\$[REDACTED], will be used for technology, system upgrades, R&D, and optimization of the underlying system architecture for the *Chinagoods*. Our plans include:
 - *Enhancing R&D capabilities and upgrading core systems.* This includes upgrading core system modules, improving system stability and processing efficiency, and developing new digital features to improve user experience and service functions. We plan to recruit additional R&D and technical personnel to strengthen our innovation capacity, and we plan to collaborate with leading research institutions to leverage their expertise and drive continuous technological advancement. We plan to ensure the platform remains at the forefront of digital commerce infrastructure and can adapt to evolving market demands.
 - *Optimizing underlying system architecture and processing capabilities.* We plan to focus on integrating end-to-end data flows across offline physical stores, warehouse facilities, and online digital product catalogs, and we plan to upgrade digital procurement and fulfillment coordination systems to support high-frequency, high-concurrency transactions. We plan to invest in advanced hardware and software to enhance the platform’s scalability and reliability, and we plan to implement robust information security measures to safeguard user data and transaction integrity. We plan to further expand our technical team and work closely with technology partners to ensure the Chinagoods platform delivers a seamless, efficient, and secure experience for all users.

FUTURE PLANS AND USE OF [REDACTED]

- Approximately [REDACTED] of the [REDACTED], or approximately HK\$[REDACTED], will be used for working capital and general corporate purposes.

In the event that the [REDACTED] is set at the maximum [REDACTED] or the minimum [REDACTED] of the indicative [REDACTED], the [REDACTED] of the [REDACTED] will increase by approximately HK\$[REDACTED] or decrease by approximately HK\$[REDACTED], respectively. To the extent that the [REDACTED] from the [REDACTED] (including the [REDACTED] from the exercise of the [REDACTED]) are either more or less than expected, we will adjust our [REDACTED] of the [REDACTED] for the above purposes on a pro rata basis.

If any part of our development plan does not proceed as planned for reasons such as changes in government policies that would render the development of any of our projects not viable, or the occurrence of force majeure events, we will carefully evaluate the situation and may [REDACTED] the [REDACTED] from the [REDACTED].

To the extent that the [REDACTED] of the [REDACTED] are not immediately used for the above purposes, we will only deposit those [REDACTED] into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the SFO or applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

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STRUCTURE OF THE [REDACTED]

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STRUCTURE OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report set out on pages I-1 to I-[●], received from the Company’s reporting accountants, Confucius International CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Joint Sponsor pursuant to the requirements of HKSIR 200, Accountants’ Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.



天健國際會計師事務所有限公司

Confucius International CPA Limited

Certified Public Accountants

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ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF ZHEJIANG CHINA COMMODITIES CITY GROUP CO., LTD. AND HSBC CORPORATE FINANCE (HONG KONG) LIMITED AND CITIC SECURITIES (HONG KONG) LIMITED

Introduction

We report on the historical financial information of Zhejiang China Commodities City Group Co., Ltd. (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I-1 to I-[●], which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at December 31, 2023, 2024 and 2025, and the consolidated statements of profit or loss, and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended December 31, 2023, 2024 and 2025 (the “Track Record Period”) and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I-1 to I-[●] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [document date] (the “Document”) in connection with the [REDACTED] of H shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors’ Responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

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ACCOUNTANTS’ REPORT

Reporting Accountants’ Responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, *Accountants’ Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgment, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants considers internal control relevant to the entity’s preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the Company’s and the Group’s financial position as at December 31, 2023, 2024 and 2025 and of the Group’s financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

APPENDIX I

ACCOUNTANTS’ REPORT

**REPORT ON MATTERS UNDER THE RULES GOVERNING THE LISTING OF SECURITIES
ON THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “LISTING RULES”) AND
THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE**

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to Note 12 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Track Record Period.

[Confucius International CPA Limited]

Certified Public Accountants

Hong Kong

[Date]

APPENDIX I

ACCOUNTANTS’ REPORT

I HISTORICAL FINANCIAL INFORMATION OF THE GROUP**Preparation of Historical Financial Information**

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by Confucius International CPA Limited in accordance with Hong Kong Standards on Auditing issued by HKICPA (“Underlying Financial Statements”).

The Historical Financial Information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Notes	Year ended December 31,		
		2023	2024	2025
		RMB’000	RMB’000	RMB’000
Revenue	5	11,280,779	15,474,884	19,707,436
Cost of revenue	8	(8,305,742)	(10,644,613)	(13,518,244)
Gross profit		2,975,037	4,830,271	6,189,192
General and administrative expenses	8	(710,026)	(797,394)	(951,422)
Selling and marketing expenses	8	(240,304)	(321,433)	(470,767)
Research and development expenses	8	(21,749)	(23,221)	(40,714)
Net impairment reversals/(losses) on financial assets	3.2	2,138	(12,891)	(10,710)
Other income	6	71,526	170,944	118,057
Other gains, net	7	221,270	122,466	387,054
Operating profit		2,297,892	3,968,742	5,220,690
Finance income	10	67,434	42,136	66,769
Finance costs	10	(193,111)	(141,845)	(79,493)
Finance costs, net	10	(125,677)	(99,709)	(12,724)
Share of profit of investments in associates and joint ventures	14	1,035,858	159,710	199,606
Profit before income tax		3,208,073	4,028,743	5,407,572
Income tax expense	11	(526,670)	(950,495)	(1,191,856)
Profit for the year		2,681,403	3,078,248	4,215,716
Attributable to:				
— Owners of the Company		2,676,182	3,073,677	4,203,547
— Non-controlling interests		5,221	4,571	12,169
		2,681,403	3,078,248	4,215,716
Earnings per share for profit attributable to owners of the Company (expressed in RMB per share)				
● Basic	13	0.49	0.56	0.77
● Diluted	13	0.49	0.56	0.77

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Profit for the year	2,681,403	3,078,248	4,215,716
Attributable to:			
— Owners of the Company	2,676,182	3,073,677	4,203,547
— Non-controlling interests	5,221	4,571	12,169
	<u>2,681,403</u>	<u>3,078,248</u>	<u>4,215,716</u>
Other comprehensive income/(losses)			
<i>Items that will not be reclassified to profit or loss, net of tax:</i>			
— Changes in fair value of equity instruments at fair value through other comprehensive income/(losses)	43,272	85,604	(7,526)
<i>Items that may be reclassified to profit or loss in subsequent periods, net of tax:</i>			
— Share of other comprehensive income/(losses) of associates and joint ventures	885	(11)	(222)
— Exchange differences on translation of foreign operations	3,193	2,130	(5,794)
Other comprehensive income/(losses) for the year, net of tax	<u>47,350</u>	<u>87,723</u>	<u>(13,542)</u>
Attributable to:			
— Owners of the Company	47,403	87,667	(13,450)
— Non-controlling interests	(53)	56	(92)
	<u>47,350</u>	<u>87,723</u>	<u>(13,542)</u>
Total comprehensive income for the year	<u>2,728,753</u>	<u>3,165,971</u>	<u>4,202,174</u>
Attributable to:			
— Owners of the Company	2,723,585	3,161,344	4,190,097
— Non-controlling interests	5,168	4,627	12,077
	<u>2,728,753</u>	<u>3,165,971</u>	<u>4,202,174</u>

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at December 31,		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
ASSETS				
Non-current assets				
Property, plant and equipment	17	7,368,323	7,414,658	8,307,132
Investment properties	20	6,002,402	6,911,797	6,355,808
Right-of-use assets	18	6,250,738	5,143,626	4,664,361
Deferred tax assets	23	115,357	62,120	65,685
Intangible assets	19	472,085	481,006	482,164
Investments in associates and joint ventures	14	7,022,780	6,947,117	6,436,773
Equity instruments at fair value through other comprehensive income	15	556,897	671,036	661,002
Other financial assets at fair value through profit or loss	15	1,421,570	1,481,882	1,595,640
Restricted cash and term deposits	30	—	—	316,807
Prepayments and other receivables	25	278,027	293,208	263,820
Other non-current assets	28	138,252	28,034	397,170
Total non-current assets		29,626,431	29,434,484	29,546,362
Current assets				
Inventories	29	1,247,244	1,357,787	2,385,330
Trade and notes receivables	24	592,858	497,320	437,843
Prepayments and other receivables	25	1,102,894	1,215,747	1,726,681
Wealth management products	26	—	400,317	1,785,358
Other financial assets at fair value through profit or loss	15	15,131	—	308,282
Entrusted loans	22	48,073	—	48,073
Restricted cash and term deposits	30	12,556	10,823	2,531,139
Cash and cash equivalents	30	2,910,179	5,528,369	4,284,850
Other current assets	27	663,581	723,614	1,351,518
Total current assets		6,592,516	9,733,977	14,859,074
Total assets		36,218,947	39,168,461	44,405,436

APPENDIX I

ACCOUNTANTS’ REPORT

		As at December 31,		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
LIABILITIES				
Non-current liabilities				
Borrowings	31	4,361,251	657,589	3,255,269
Lease liabilities	18	176,832	149,984	129,609
Deferred tax liabilities	23	84,045	68,467	129,242
Deferred income	36	160,433	150,801	116,223
Contract liabilities	5	—	—	4,703,512
Total non-current liabilities		4,782,561	1,026,841	8,333,855
Current liabilities				
Borrowings	31	4,800,913	6,812,863	96,475
Received in advance	34	229,057	212,008	235,488
Trade payables	32	1,390,255	1,469,718	1,995,927
Contract liabilities	5	4,439,887	5,932,996	7,465,755
Lease liabilities	18	23,637	21,432	24,513
Current income tax liabilities		179,051	430,072	381,645
Accruals and other payables	33	2,545,222	2,464,692	2,658,820
Other current liabilities	35	124,426	225,379	184,267
Total current liabilities		13,732,448	17,569,160	13,042,890
Total liabilities		18,515,009	18,596,001	21,376,745
Net current (liabilities)/assets		(7,139,932)	(7,835,183)	1,816,184
EQUITY				
Share capital	37	5,484,334	5,483,646	5,483,559
Treasury shares	38	(74,367)	(33,828)	—
Other reserves	41	3,574,822	4,653,449	4,977,671
Retained earnings	40	8,703,605	10,400,490	12,486,681
		17,688,394	20,503,757	22,947,911
Non-controlling interests	16	15,544	68,703	80,780
TOTAL EQUITY		17,703,938	20,572,460	23,028,691
TOTAL LIABILITIES AND EQUITY		36,218,947	39,168,461	44,405,436

APPENDIX I

ACCOUNTANTS’ REPORT

COMPANY’S STATEMENTS OF FINANCIAL POSITION

		As at December 31,		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
ASSETS				
Non-current assets				
Property, plant and equipment	17	6,258,057	7,028,033	7,839,103
Investment properties	20	4,696,382	5,140,046	4,941,654
Right-of-use assets	18	5,703,432	4,759,212	4,178,421
Deferred tax assets		95,863	54,677	60,943
Intangible assets	19	10,143	8,959	7,727
Investments in associates and joint ventures	14	5,877,914	6,011,639	5,377,468
Investments in subsidiaries	16	4,720,326	4,843,157	5,046,275
Equity instruments at fair value through other comprehensive income	15	556,897	671,036	661,002
Other financial assets at fair value through profit or loss	15	121,590	141,924	226,071
Restricted cash and term deposits	30	—	—	204,944
Prepayments and other receivables	25	31,864	17,164	4
Other non-current assets	28	—	25,926	397,170
Total non-current assets		28,072,468	28,701,773	28,940,782
Current assets				
Inventories	29	5,231	819,198	1,034,772
Prepayments and other receivables	25	3,791,841	2,112,885	2,620,893
Trade and notes receivables	24	33,941	6,235	7,114
Wealth management products	26	—	400,317	1,785,358
Restricted cash and term deposits	30	7,220	4,410	2,374,885
Cash and cash equivalents	30	2,258,309	4,990,599	3,737,266
Other current assets	27	204,019	132,863	163,565
Total current assets		6,300,561	8,466,507	11,723,853
Total assets		34,373,029	37,168,280	40,664,635

APPENDIX I

ACCOUNTANTS’ REPORT

		As at December 31,		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
LIABILITIES				
Non-current liabilities				
Borrowings	31	4,008,742	474,950	3,206,275
Lease liabilities	18	107,858	104,996	101,463
Deferred tax liabilities		11,435	—	—
Deferred income	36	102,161	92,529	88,445
Contract liabilities	5	—	—	4,703,512
Total non-current liabilities		4,230,196	672,475	8,099,695
Current liabilities				
Borrowings	31	4,786,448	6,812,715	96,475
Received in advance	34	177,430	173,804	208,986
Trade payables	32	990,281	1,075,128	1,752,807
Contract liabilities	5	3,376,454	4,356,315	5,332,082
Lease liabilities	18	3,099	3,055	3,317
Current income tax liabilities		152,662	405,267	291,495
Accruals and other payables	33	2,440,306	3,502,161	3,490,607
Other current liabilities	35	62,678	136,621	35,179
Total current liabilities		11,989,358	16,465,066	11,210,948
Total liabilities		16,219,554	17,137,541	19,310,643
EQUITY				
Share capital	37	5,484,334	5,483,646	5,483,559
Treasury shares	38	(74,367)	(33,828)	—
Other reserves	41	3,781,003	4,175,634	4,504,202
Retained earnings	40	8,962,505	10,405,287	11,366,231
TOTAL EQUITY		18,153,475	20,030,739	21,353,992
TOTAL LIABILITIES AND EQUITY		34,373,029	37,168,280	40,664,635

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company							Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Other comprehensive income	Other reserves	Retained earnings	Sub-total		
	RMB’000 (Note 37)	RMB’000 (Note 41)	RMB’000 (Note 38)	RMB’000 (Note 41)	RMB’000 (Note 41)	RMB’000 (Note 40)	RMB’000	RMB’000	RMB’000
Balance at January 1, 2023	5,486,074	1,549,909	(119,484)	(24,008)	1,718,359	6,651,441	15,262,291	18,806	15,281,097
Profit for the year	—	—	—	—	—	2,676,182	2,676,182	5,221	2,681,403
Other comprehensive income/ (losses)	—	—	—	47,403	—	—	47,403	(53)	47,350
Total comprehensive income	—	—	—	47,403	—	2,676,182	2,723,585	5,168	2,728,753
Share of other changes in net assets of associates and joint ventures	—	—	—	—	2,563	—	2,563	—	2,563
Appropriation to general risk reserves	—	—	—	—	3,855	(3,855)	—	—	—
Appropriation to statutory reserves	—	—	—	—	263,568	(263,568)	—	—	—
Share-based payment:									
Share-based compensation expenses	—	—	—	—	16,507	—	16,507	—	16,507
Exercise of restricted shares	—	30,340	40,043	—	(30,340)	—	40,043	—	40,043
Cancellation of shares under share schemes	(1,740)	(3,334)	5,074	—	—	—	—	—	—
Declaration of dividends	—	—	—	—	—	(356,595)	(356,595)	—	(356,595)
Disposal of subsidiaries	—	—	—	—	—	—	—	(8,430)	(8,430)
Balance at December 31, 2023	5,484,334	1,576,915	(74,367)	23,395	1,974,512	8,703,605	17,688,394	15,544	17,703,938
Balance at January 1, 2024	5,484,334	1,576,915	(74,367)	23,395	1,974,512	8,703,605	17,688,394	15,544	17,703,938
Profit for the year	—	—	—	—	—	3,073,677	3,073,677	4,571	3,078,248
Other comprehensive income	—	—	—	87,667	—	—	87,667	56	87,723
Total comprehensive income	—	—	—	87,667	—	3,073,677	3,161,344	4,627	3,165,971
Reversal of general risk reserves	—	—	—	—	(1,934)	1,934	—	—	—
Appropriation to statutory reserves	—	—	—	—	282,151	(282,151)	—	—	—
Share-based payment:									
Share-based compensation expenses	—	—	—	—	26,270	—	26,270	—	26,270
Exercise of restricted shares	—	28,634	38,543	—	(23,838)	—	43,339	—	43,339
Cancellation of shares under share schemes	(688)	(1,308)	1,996	—	—	—	—	—	—
Disposal of subsidiaries (Note 44)	—	—	—	—	680,985	—	680,985	48,532	729,517
Declaration of dividends	—	—	—	—	—	(1,096,575)	(1,096,575)	—	(1,096,575)
Balance at December 31, 2024	5,483,646	1,604,241	(33,828)	111,062	2,938,146	10,400,490	20,503,757	68,703	20,572,460

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	Attributable to owners of the Company								
	Share capital	Share premium	Treasury shares	Other comprehensive income	Other reserves	Retained earnings	Sub-total	Non-controlling interests	Total equity
	RMB'000 (Note 37)	RMB'000 (Note 41)	RMB'000 (Note 38)	RMB'000 (Note 41)	RMB'000 (Note 41)	RMB'000 (Note 40)	RMB'000	RMB'000	RMB'000
Balance at January 1, 2025	5,483,646	1,604,241	(33,828)	111,062	2,938,146	10,400,490	20,503,757	68,703	20,572,460
Profit for the year	—	—	—	—	—	4,203,547	4,203,547	12,169	4,215,716
Other comprehensive losses	—	—	—	(13,450)	—	—	(13,450)	(92)	(13,542)
Total comprehensive (losses)/ income	—	—	—	(13,450)	—	4,203,547	4,190,097	12,077	4,202,174
Share of other changes in net assets of associates and joint ventures	—	—	—	—	28,158	—	28,158	—	28,158
Reversal of general risk reserves	—	—	—	—	(81)	81	—	—	—
Appropriation to statutory reserves	—	—	—	—	307,838	(307,838)	—	—	—
Share-based payment:									
Share-based compensation expenses	—	—	—	—	18,472	—	18,472	—	18,472
Exercise of restricted shares	—	53,583	33,619	—	(70,176)	—	17,026	—	17,026
Cancellation of shares under share schemes	(87)	(122)	209	—	—	—	—	—	—
Declaration of dividends	—	—	—	—	—	(1,809,599)	(1,809,599)	—	(1,809,599)
Balance at December 31, 2025	5,483,559	1,657,702	—	97,612	3,222,357	12,486,681	22,947,911	80,780	23,028,691

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CONSOLIDATED STATEMENTS OF CASH FLOWS

	<i>Notes</i>	Year ended December 31,		
		2023	2024	2025
		RMB’000	RMB’000	RMB’000
Cash flows from operating activities				
Cash generated from operations	42(a)	1,964,427	5,183,056	11,633,986
Interest received		67,434	42,136	25,225
Income tax paid		(248,314)	(763,638)	(1,102,262)
Net cash generated from operating activities		1,783,547	4,461,554	10,556,949
Cash flows from investing activities				
Withdrawal of term deposits		—	—	9,245
Withdrawal of wealth management products		40,338	—	2,256,154
Proceeds from repayment of entrusted loan		—	48,000	—
Proceeds from sale of investment properties		—	257,860	804,987
Proceeds from disposal of property, plant and equipment, intangible assets and other non-current assets		200,358	214	889
Proceeds from disposal of equity investments at fair value through profit or loss		36,697	55,969	3,710
Proceeds from disposal and redemption of principal of associates and joint ventures		59,663	159,532	45,559
Dividends received from investments at fair value through other comprehensive income		3,763	9,156	10,160
Dividends received from associates and joint ventures		—	227,886	136,796
Interest income from entrusted loan		2,526	2,504	2,596
Proceeds from repayment of loans by associates and joint ventures		338,679	14,700	17,150
Recovery of intercompany loans from a subsidiary subsequent to its disposal		—	2,573,463	—
Amount due from equity investment at FVPL, associates and joint ventures		587,256	29,513	18,194
Dividends received from equity investments at fair value through profit or loss		8,920	3,587	20,179
Net inflow from acquisition		—	460	—
Government grant received in relation to assets		58,272	—	—
Net cash received from disposal of subsidiaries		12,483	—	—
Purchases of investments at fair value through profit or loss		—	(81,718)	(190,000)
Placement of term deposits		—	—	(2,760,000)
Placement of wealth management products		—	(400,000)	(3,630,000)
Amount due to equity investment at FVPL, associates and joint ventures		(34,806)	—	(27,738)
Payments for purchase of property, plant and equipment, intangible assets and other non-current assets		(2,627,631)	(1,500,262)	(2,182,073)
Payments for purchase of investments in associates and joint ventures		—	(148,059)	(165,000)
Increase in entrusted loan		—	—	(48,000)
Net outflow from disposal		—	(214)	—
Net cash (used in)/generated from investing activities		(1,313,482)	1,252,591	(5,677,192)

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	<i>Note</i>	Year ended December 31,		
		2023	2024	2025
		RMB’000	RMB’000	RMB’000
Cash flows from financing activities				
Proceeds from borrowings		7,593,602	6,393,366	3,798,313
Dividends paid to the Company’s shareholders		(356,595)	(1,096,575)	(1,809,599)
Payments for share buyback for cancellation		(4,932)	(1,996)	—
Principal elements of lease payments		(32,904)	(29,775)	(23,827)
Repayments of borrowings		(6,495,200)	(8,038,880)	(7,875,410)
Interests paid		(243,487)	(317,405)	(194,665)
Others		—	(3,768)	(440)
Net cash generated from/(used in) financing activities		460,484	(3,095,033)	(6,105,628)
Net increase/(decrease) in cash and cash equivalents		930,549	2,619,112	(1,225,871)
Cash and cash equivalents at beginning of the year		1,981,201	2,910,179	5,528,369
Effects of exchange rate changes on cash and cash equivalents		(1,571)	(922)	(17,648)
Cash and cash equivalents at the end of the year	30	2,910,179	5,528,369	4,284,850

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II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) (hereinafter referred to as “the Company”), formerly known as Zhejiang Yiwu China Commodities City Co., Ltd. (浙江義烏中國小商品城股份有限公司), is a joint stock company with limited liability incorporated in the People’s Republic of China (the “PRC”) on December 28, 1993. The Company was listed on the Shanghai Stock Exchange (stock code: 600415) in May 2002. The registered office of the Company is located at YIWU CCC Group Building, No. 567 Yinhai Road, Yiwu, Zhejiang, PRC. The ultimate controlling shareholder is State-owned Assets Supervision and Administration Office of the People’s Government of Yiwu (“the ultimate controlling shareholder”).

The Company and its subsidiaries (hereinafter collectively referred to as “the Group”) are primarily engaged in the operation of wholesale marketplaces for small commodities. The Group’s main business is organized into the following principal segments: market operations, trade services, commodity sales, ancillary services, and ancillary development and sales.

The Company’s major subsidiaries during the Track Record Period are set out in Note 16.

The Historical Financial Information are presented in Renminbi (“RMB”), which is also the functional currency of the Company, and all values are rounded to the nearest thousands (RMB’000) except when otherwise indicated.

The statutory consolidated financial statements of the Company for the year ended December 31, 2023 prepared in accordance with the relevant accounting principles in the PRC was audited by Ernst & Young Hua Ming Certified Public Accountants LLP (安永華明會計師事務所(特殊普通合夥)). The statutory consolidated financial statements of the Company for the years ended December 31, 2024 and 2025 prepared in accordance with the relevant accounting principles in the PRC were audited by Pan-China Certified Public Accountants LLP (天健會計師事務所(特殊普通合夥)). Both the auditors were the certified public accountants registered in the PRC.

2. BASIS OF PREPARATION

The Historical Financial Information of the Group have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRS Accounting Standards”) issued by the International Accounting Standards Board (“IASB”). The Historical Financial Information has been prepared under the historical cost convention, as modified by the revaluation of financial assets measured at fair value through profit or loss (“FVPL”) and financial assets measured at fair value through other comprehensive income (“FVOCI”).

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4 below.

New standards, amendments and interpretations to the existing standards that are effective during the Track Record Period have been adopted by the Group consistently throughout the years presented, unless prohibited by the relevant standard to apply retrospectively.

Other than those material accounting policies information as disclosed elsewhere in this Historical Financial Information, a summary of the other accounting policies information has been set out in Note 48 to this Historical Financial Information.

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2.1 New Standards and Amendments to Standards Not Yet Adopted

Standards and amendments to standards that have been issued but not yet effective and not been early adopted by the Group during the Track Record Period are as follows:

<u>Standards and amendments</u>	<u>Effective for accounting periods beginning on or after</u>
Amendments to IFRS 10 and IAS 28 ‘Sale or Contribution of Assets between an Investor and its Associate or Joint Venture’	To be determined
Amendments to IFRS 9 and IFRS 7 ‘Amendments to the Classification and Measurement of Financial Instruments’	January 1, 2026
Amendments to IFRS 9 and IFRS 7 ‘Contracts Referencing Nature-dependent Electricity’	January 1, 2026
Annual Improvements — Volume 11 IFRS accounting standards	January 1, 2026
IFRS 18 ‘Presentation and Disclosure in Financial Statements’	January 1, 2027
IFRS 19 ‘Subsidiaries without Public Accountability: Disclosures’	January 1, 2027
Amendments to IAS 21 ‘Translation to a Hyperinflationary Presentation Currency’	January 1, 2027

IFRS 18 “Presentation and Disclosure in Financial Statements”, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 “Presentation of Financial Statements”. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and IFRS 7 “Financial Instruments: Disclosures”. Minor amendments to IAS 7 “Statement of Cash Flows” and IAS 33 “Earnings per Share” are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. The application of IFRS 18 is not expected to have significant impact on the Group’s financial position and performance, but may affect the presentation of the statement of profit or loss and disclosures in the future financial statements.

3. FINANCIAL RISK MANAGEMENT

The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group’s overall risk management seeks a balance between risk and return, minimizes the adverse impact of risk on the Group’s finance performance and maximize the interests of shareholders and other equity investors. Based on this risk management objective, the basic strategy of the Group’s risk management is to identify and analyze the various risks faced by the Group, establish appropriate risk tolerance thresholds and timely and reliably supervise various risks to control them within a limited range.

3.1 Market Risk

(a) *Foreign Exchange Risk*

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the respective functional currency of the Company and its subsidiaries. The Group manages its foreign exchange risk by performing regular reviews of the Group’s net foreign exchange exposures and tries to minimize these exposures through buying and selling foreign currencies at market rate, wherever possible.

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As at December 31, 2023, 2024 and 2025, the Group’s major financial assets exposed to foreign exchange risk, representing those financial assets/liabilities denominated in United States dollar (“USD”) included in a group entity with different functional currency:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Financial assets denominated in:			
USD	5,178	11,606	29,124

As shown in the table above, the Group is primarily exposed to changes in USD exchange rates. The sensitivity of profit or loss before income tax to changes in the exchange rates arises from USD denominated financial instruments is as below:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
USD exchange rate -			
Increase 5%	259	580	1,456
Decrease 5%	(259)	(580)	(1,456)

Other foreign currencies of changes have no significant impact on foreign exchange risk.

(b) *Interest Rate Risk*

The Group’s interest rate risk primarily arises from interest-bearing borrowings. Borrowings issued at floating rates expose the Group to cash flow interest rate risk and borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group determines the proportion of borrowings issued at floating rates and fixed rates based on the market environment and maintains an appropriate combination of financial instruments through regular review and monitoring.

As at December 31, 2023, 2024 and 2025, total borrowings of the Group which were bearing at floating rates amounted to approximately RMB956,794,000, RMB839,460,000 and RMB523,519,000 respectively.

If interest rate had been 50 basis points higher or lower with all other variables held constant, the profit before tax would decrease/increase approximately RMB4,784,000, RMB4,197,000 and RMB2,618,000, for the years ended December 31, 2023, 2024 and 2025, respectively.

Considering the repricing or maturity date, the fair value interest rate risk arises from borrowings and bank balances carried at fixed rates is not significant for the Group.

(c) *Price Risk*

The Group is mainly exposed to price risk arising from investments held by the Group that are classified either as wealth management products, FVPL or FVOCI (Note 15). To manage its price risk arising from the investments, the Group diversifies its investment portfolio. The investments are mainly made for strategic purposes. Each investment is managed by the management on a case-by-case basis.

Sensitivity analysis is performed by the management to assess the exposure of the Group’s financial results to price risk of FVPL and FVOCI at the end of each Track Record Period. If prices of the respective instruments held by the Group had been 5%, 5% and 5% higher/lower as at December 31, 2023, 2024 and 2025, for the years ended December 31, 2023, 2024 and 2025, (i) profit before tax would have been approximately RMB71,835,000, RMB94,110,000 and RMB184,464,000 higher/lower as a result of gains/losses on financial instruments classified as at FVPL; (ii) other comprehensive income before tax would have been approximately RMB27,845,000, RMB33,552,000 and RMB33,050,000 higher/lower as a result of gains/losses on financial instruments classified as at FVOCI.

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3.2 Credit Risk

Credit risk arises from cash and cash equivalents, restricted cash and term deposits, as well as trade and notes receivables, other receivables and entrusted loan. The carrying amount of each class of the above financial assets represents the Group’s maximum exposure to credit risk in relation to the corresponding class of financial assets.

(a) *Risk Management*

To manage this risk, cash and cash equivalents as well as restricted cash and term deposits are mainly placed with reputable financial institutions which are all high-credit-rating financial institutions.

To manage risk from trade and notes receivables as well as other receivables, the Group has policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of the counterparties. It also has continuous monitoring procedures to ensure the collection of the receivables as scheduled and follow up action is taken to recover overdue debts, if any.

(b) *Impairment of Financial Assets*

The Group has five types of financial assets that are subject to the expected credit loss model:

- Cash and cash equivalents, restricted cash and term deposits;
- Trade receivables;
- Notes receivables at amortized cost;
- Other receivables and entrusted loans

Credit risk of cash and cash equivalents and restricted cash and term deposits

Cash and cash equivalents and restricted cash and term deposits are mainly placed with high-credit-rating financial institutions. There has been no recent history of default in relation to these financial institutions. The expected credit loss was immaterial as at December 31, 2023, 2024 and 2025.

Credit risk of trade and notes receivables

(i) *Trade receivables*

The Group applies the IFRS 9 simplified approach to measure expected credit loss (“ECL”) which uses a lifetime expected loss allowance for all trade receivables.

To measure ECL, trade receivables have been grouped based on shared credit risk characteristics and aging. The Group also made individual assessment on the recoverability of its trade receivables for certain customers based on historical settlement records.

The historical loss rates are calculated based on the historical payment profiles of customers and the corresponding historical incurred credit losses. The historical loss rates are adjusted to reflect the forward-looking information on macroeconomic factors as well as the credit rating analysis of respective customers and other external data which have impacts to the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product (“GDP”) of the countries in which it sells its goods to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to engage in a repayment plan with the Group and other indicators of severe financial difficulties.

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Trade Receivables

On that basis, the loss allowance as at December 31, 2023, 2024 and 2025 were determined as follows for trade receivables:

As at December 31, 2023, the loss allowance of individually impaired trade receivables is determined as follows:

Assess individually:

	<u>Gross carrying amount</u>	<u>ECL rate</u>	<u>Loss allowance</u>	<u>Reason</u>
	<u>RMB’000</u>		<u>RMB’000</u>	
Trade receivables	<u>6,262</u>	<u>100%</u>	<u>6,262</u>	Financial difficulty

As at December 31, 2024, the loss allowance of individually impaired trade receivables is determined as follows:

Assess individually:

	<u>Gross carrying amount</u>	<u>ECL rate</u>	<u>Loss allowance</u>	<u>Reason</u>
	<u>RMB’000</u>		<u>RMB’000</u>	
Trade receivables	<u>18,922</u>	<u>100%</u>	<u>18,922</u>	Financial difficulty

As at December 31, 2025, the loss allowance of individually impaired trade receivables is determined as follows:

Assess individually:

	<u>Gross carrying amount</u>	<u>ECL rate</u>	<u>Loss allowance</u>	<u>Reason</u>
	<u>RMB’000</u>		<u>RMB’000</u>	
Trade receivables	<u>31,323</u>	<u>76%</u>	<u>23,888</u>	Financial difficulty

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As at December 31, 2023, 2024 and 2025, the loss allowance of grouped impaired trade receivables are determined as follows:

Assessed based on grouping:

	As at December 31, 2023			As at December 31, 2024			As at December 31, 2025		
	Expected loss rate	Gross carrying amount	Loss allowance	Expected loss rate	Gross carrying amount	Loss allowance	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000	%	RMB'000	RMB'000	%	RMB'000	RMB'000
Within 1 year	0.01	587,700	63	0.01	408,234	11	0.38	421,803	1,602
1 to 2 years	1.86	4,146	77	0.02	75,764	17	25.96	12,442	3,230
2 to 3 years	3.68	1,196	44	0.82	2,198	18	36.50	1,567	572
Over 3 years	—	—	—	100.00	1,115	1,115	100.00	1,479	1,479
Total		593,042	184		487,311	1,161		437,291	6,883

The management of the Group determined the ECL rates for portfolio of trade receivables with reference to past-due status of such balances by estimating their default rates taking into account the historical information and forward-looking information.

The loss allowances for trade receivables for the years ended December 31, 2023, 2024 and 2025 reconcile to the opening loss allowances are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Opening loss allowance	8,498	6,446	20,083
Loss allowance (reversed)/recognized, net	(2,052)	13,637	10,688
Closing loss allowance	6,446	20,083	30,771

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(ii) *Notes Receivables at Amortized Cost*

The Group measured provisions for impairment of notes receivables based on the lifetime ECL and assessed that there was no significant credit risk associated with its bank acceptance notes as the Group did not expect that there would be any significant losses from non-performance by these reputable banks.

Credit risk of other receivables and entrusted loans

Other receivables at the end of each of the periods are mainly comprised of deposits, export tax refund and others. Entrusted loans are loans to the non-controlling interest of one subsidiary. The Group considers the probability of default upon initial recognition of the assets and whether there has been significant increase in credit risk on an ongoing basis throughout Track Record Period. To assess whether there is a significant increase in credit risk, the Group compares risk of a default occurring on the assets as of the reporting date with the risk of default as of the date of initial recognition. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant impact on the debtor’s ability to meet its obligations;
- external credit rating of the counterparty;
- actual or expected significant adverse changes in the operating results of the debtor; and
- significant changes in the expected performance and behavior of the debtor, including changes in the payment status of debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 365 days past due in making a contractual payment.

If the credit risk of the asset is in line with original expectations, the Group categorizes the asset as performing and recognizes 12-month expected credit losses (Stage 1). If a significant credit risk of the asset has occurred compared to original expectations or the credit is impaired, the asset is categorized as underperforming or non-performing and lifetime expected credit losses are recognized (Stages 2 and 3):

Set out below is the information about credit risk exposure on the Group’s other receivables and entrusted loans:

	Stage 1	Stage 2	Stage 3	Total
	RMB’000	RMB’000	RMB’000	RMB’000
December 31, 2023				
Expected loss rate	0.95%	—	—	
Gross carrying amount	447,174	—	—	447,174
Loss allowance	<u>4,242</u>	<u>—</u>	<u>—</u>	<u>4,242</u>
December 31, 2024				
Expected loss rate	0.84%	—	—	
Gross carrying amount	414,320	—	—	414,320
Loss allowance	<u>3,460</u>	<u>—</u>	<u>—</u>	<u>3,460</u>
December 31, 2025				
Expected loss rate	0.69%	—	—	
Gross carrying amount	505,045	—	—	505,045
Loss allowance	<u>3,482</u>	<u>—</u>	<u>—</u>	<u>3,482</u>

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The loss allowances for other receivables and entrusted loans for the years ended December 31, 2023, 2024 and 2025 reconcile to the opening loss allowances are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Opening loss allowance	4,328	4,242	3,460
Loss allowance(reversed)/recognized, net	(86)	(746)	22
Loss allowance written off	—	(36)	—
Closing loss allowance	4,242	3,460	3,482

In view of the fact that the collateral provided by the borrower, substantiated by valuation reports, is substantially higher than the amount of the entrusted loans, the Group does not anticipate any material losses and has therefore made no provision.

3.3 Liquidity Risk

The Group intends to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying business, the policy of the Group is to regularly monitor the Group’s liquidity risk and to maintain adequate liquid assets such as cash and cash equivalents and term deposits or to retain adequate financing arrangements to meet the Group’s liquidity requirements.

The tables below analyze the Group’s financial liabilities that will be settled into relevant maturity groupings based on the remaining period at the end of each Track Record Period to their contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total	Total carrying amount
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
As at December 31, 2023						
Trade payables	1,390,255	—	—	—	1,390,255	1,390,255
Accruals and other payables (excluding non-financial liabilities)	2,227,615	—	—	—	2,227,615	2,227,615
Lease liabilities	35,989	32,906	72,668	154,334	295,897	200,469
Borrowings	4,866,797	3,657,432	150,464	702,961	9,377,654	9,162,164
	8,520,656	3,690,338	223,132	857,295	13,291,421	12,980,503

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	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total	Total carrying amount
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
As at December 31, 2024						
Trade payables	1,469,718	—	—	—	1,469,718	1,469,718
Accruals and other payables (excluding non-financial liabilities)	2,090,716	—	—	—	2,090,716	2,090,716
Lease liabilities	32,693	30,254	53,401	142,906	259,254	171,416
Borrowings	6,904,818	82,987	176,511	527,430	7,691,746	7,470,452
	10,497,945	113,241	229,912	670,336	11,511,434	11,202,302
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total	Total carrying amount
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
As at December 31, 2025						
Trade payables	1,995,927	—	—	—	1,995,927	1,995,927
Accruals and other payables (excluding non-financial liabilities)	1,974,373	—	—	—	1,974,373	1,974,373
Lease liabilities	33,733	30,335	45,206	122,048	231,322	154,122
Borrowings	135,662	134,016	2,979,286	324,488	3,573,452	3,351,744
	4,139,695	164,351	3,024,492	446,536	7,775,074	7,476,166

The interest rates of borrowings and lease liabilities are disclosed in Note 31 and Note 18, respectively.

3.4 Capital Management

The primary objectives of the Group’s capital management are to safeguard the Group’s ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize shareholders’ value.

The Group manages its capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may issue new shares, sell assets to reduce debt or raise additional funding from shareholders or financial institutions as and when necessary. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2023, 2024 and 2025.

The Group monitors capital on the basis of the debt to asset ratio as at December 31, 2023, 2024 and 2025 are as follows:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Total assets	36,218,947	39,168,461	44,405,436
Total liabilities	18,515,009	18,596,001	21,376,745
Debt to asset ratio	51.12%	47.48%	48.14%

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3.5 Fair Value Estimation

(a) *Determination of Fair Value and the Fair Value Hierarchy of Financial Instruments*

This note provides information on how the Group determines the fair values of various financial assets and liabilities.

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Group

<u>As at December 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>
Financial assets at fair value through other comprehensive income				
— Equity instruments at FVOCI (<i>Note 15</i>) (iii)	<u>556,897</u>	<u>—</u>	<u>—</u>	<u>556,897</u>
	<u>556,897</u>	<u>—</u>	<u>—</u>	<u>556,897</u>
Financial assets at fair value through profit or loss				
— Listed equity shares (iii)	15,131	—	—	15,131
— Unlisted equity shares	—	—	199,087	199,087
— Private equity fund investments	<u>—</u>	<u>—</u>	<u>1,222,483</u>	<u>1,222,483</u>
	<u>15,131</u>	<u>—</u>	<u>1,421,570</u>	<u>1,436,701</u>

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<u>As at December 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>
Financial assets at fair value through other comprehensive income				
— Equity instruments at FVOCI (<i>Note 15</i>) (iii)	<u>671,036</u>	<u>—</u>	<u>—</u>	<u>671,036</u>
	<u>671,036</u>	<u>—</u>	<u>—</u>	<u>671,036</u>
Financial assets at fair value through profit or loss				
— Wealth management products (i)	<u>—</u>	<u>400,317</u>	<u>—</u>	<u>400,317</u>
— Unlisted equity shares	<u>—</u>	<u>—</u>	<u>239,850</u>	<u>239,850</u>
— Private equity fund investments	<u>—</u>	<u>—</u>	<u>1,242,032</u>	<u>1,242,032</u>
	<u>—</u>	<u>400,317</u>	<u>1,481,882</u>	<u>1,882,199</u>
<u>As at December 31, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>
Financial assets at fair value through other comprehensive income				
— Equity instruments at FVOCI (<i>Note 15</i>) (iii)	<u>661,002</u>	<u>—</u>	<u>—</u>	<u>661,002</u>
	<u>661,002</u>	<u>—</u>	<u>—</u>	<u>661,002</u>
Financial assets at fair value through profit or loss				
— Wealth management products (i)	<u>—</u>	<u>1,283,122</u>	<u>—</u>	<u>1,283,122</u>
— Structured deposits	<u>—</u>	<u>—</u>	<u>502,236</u>	<u>502,236</u>
— Listed equity shares (ii)	<u>—</u>	<u>—</u>	<u>308,282</u>	<u>308,282</u>
— Unlisted equity shares	<u>—</u>	<u>—</u>	<u>231,372</u>	<u>231,372</u>
— Private equity fund investments	<u>—</u>	<u>—</u>	<u>1,364,268</u>	<u>1,364,268</u>
	<u>—</u>	<u>1,283,122</u>	<u>2,406,158</u>	<u>3,689,280</u>

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The Company

<u>As at December 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>
Financial assets at fair value through other comprehensive income				
— Equity instruments at FVOCI (<i>Note 15</i>) (iii)	<u>556,897</u>	<u>—</u>	<u>—</u>	<u>556,897</u>
	<u>556,897</u>	<u>—</u>	<u>—</u>	<u>556,897</u>
Financial assets at fair value through profit or loss				
— Unlisted equity shares	<u>—</u>	<u>—</u>	<u>116,027</u>	<u>116,027</u>
— Private equity fund investments	<u>—</u>	<u>—</u>	<u>5,563</u>	<u>5,563</u>
	<u>—</u>	<u>—</u>	<u>121,590</u>	<u>121,590</u>
<u>As at December 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>
Financial assets at fair value through other comprehensive income				
— Equity instruments at FVOCI (<i>Note 15</i>) (iii)	<u>671,036</u>	<u>—</u>	<u>—</u>	<u>671,036</u>
	<u>671,036</u>	<u>—</u>	<u>—</u>	<u>671,036</u>
Financial assets at fair value through profit or loss				
— Wealth management products (ii)	<u>—</u>	<u>400,317</u>	<u>—</u>	<u>400,317</u>
— Unlisted equity shares	<u>—</u>	<u>—</u>	<u>136,259</u>	<u>136,259</u>
— Private equity fund investments	<u>—</u>	<u>—</u>	<u>5,665</u>	<u>5,665</u>
	<u>—</u>	<u>400,317</u>	<u>141,924</u>	<u>542,241</u>

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<u>As at December 31, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>
Financial assets at fair value through other comprehensive income				
— Equity instruments at FVOCI (<i>Note 15</i>) (iii)	661,002	—	—	661,002
	<u>661,002</u>	<u>—</u>	<u>—</u>	<u>661,002</u>
Financial assets at fair value through profit or loss				
— Wealth management products (i)	—	1,283,122	—	1,283,122
— Structured deposits	—	—	502,236	502,236
— Unlisted equity shares	—	—	135,521	135,521
— Private equity fund investments	—	—	90,550	90,550
	<u>—</u>	<u>1,283,122</u>	<u>728,307</u>	<u>2,011,429</u>

- (i) Wealth management products mainly consist of monetary fund products issued by banks. The fair values are based on quoted value provided by banks.
- (ii) The fair value of listed equity investments subject to a lock-up period was assessed by the management of the Group with reference to the valuation conducted by an independent professional valuer.
- (iii) The market prices of the above listed equity shares measured at Level 1 fair value are determined based on the quoted closing price in active markets.

The timing of transfers is determined at the date of the event or change in circumstances that caused the transfers. During the Track Record Period, there was no transfer between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets.

(b) The Group’s Valuation Process

For the financial assets and financial liabilities, classified as level 3 fair values, the Group’s finance department assisted by the independent valuer to perform the valuations for financial reporting purpose. The finance department reports the valuation results to the management.

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(c) *The reconciliation of Level 3 assets are analyzed below:*

	Financial assets at FVPL		
	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Opening balance	1,500,308	1,421,570	1,481,882
Additions/(disposals):			
Equity instruments at FVPL	—	—	60,000
Unlisted equity shares at FVPL	—	15,437	—
Private equity fund investments	(25,484)	32,083	119,741
Structured deposits	—	—	500,000
Changes in fair value through profit or loss	(53,254)	12,792	244,535
Closing balance	1,421,570	1,481,882	2,406,158

- (i) The fair values of unlisted equity instruments at FVPL as at December 31, 2023, 2024 and 2025 have been arrived with reference to the recent transaction prices, adjusted net assets or valuation carried out on the dates by an independent qualified professional valuer not connected to the Group, using Guideline Public Company Method under market approach.

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(d) Valuation Inputs and Relationships to Fair Value

Description	Fair value			Valuation techniques	Significant unobservable input(s)	Ranges of inputs	Significant unobservable input(s)	Ranges of inputs	Significant unobservable input(s)	Ranges of inputs	Relationship of unobservable input(s) to fair values
	As at December 31,										
	2023	2024	2025								
	RMB'000	RMB'000	RMB'000								
Equity instruments at FVPL	826,968	897,593	883,329								
				Guideline Public Company Method	Price-to-Book Ratio (“P/B”)	0.33–1.28	Price-to-Book Ratio (“P/B”)	0.37–1.31	Price-to-Book Ratio (“P/B”)	0.27–1.02	An increase in P/B used would result in an increase in the fair value of the unlisted equity investment, and vice versa.
				Guideline Public Company Method	Price-to-Earnings Ratio (“P/E”)	29.39	Price-to-Earnings Ratio (“P/E”)	20.7	Price-to-Earnings Ratio (“P/E”)	17.78–26.57	An increase in P/E used would result in an increase in the fair value of the unlisted equity investment, and vice versa.
				Guideline Public Company Method	—	—	Price-to-Sales Ratio (“P/S”)	0.85	Price-to-Sales Ratio (“P/S”)	0.51	An increase in P/S used would result in an increase in the fair value of the unlisted equity investment, and vice versa.
	594,602	584,289	712,311	Net asset value	Net asset value	N/A	Net asset value	N/A	Net asset value	N/A	An increase in net asset value would result in an increase in fair value, and vice versa
	—	—	308,282	Black-Scholes model	—	—	—	—	Lack of marketability discount (“DLOM”)	7.30%	An increase in DLOM would result in decrease in fair value, and vice versa.
Structured deposits	—	—	502,236	Discounted cash flow method	—	—	—	—	Discount rate	1.00%-1.94%	An increase in discount rate would result in decrease in fair value, and vice versa.
(i)	Other than described above, there were no significant unobservable inputs that materially affect its fair values.										

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As for the year ended December 31, 2023, 2024 and 2025 (i) if the P/E, P/B and P/S used had been 5% higher for equity instruments at FVPL, the profit before tax would have been approximately RMB34,756,000, RMB11,567,000, and RMB9,084,000 higher, and vice versa; (ii) If the DLOM used in Black-Scholes model had been 5% higher for equity instruments at FVPL, the profit before tax would have been approximately nil, nil, and RMB16,628,000 lower, and vice versa.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Group continually evaluates the critical accounting estimates and key judgments applied based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

The critical accounting estimates and key assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below:

(a) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale.

The Group assesses the net realisable value of inventories as well as the amount of write-down of inventory provision at the end of each reporting period, which involves significant judgement on determination of the estimated selling prices, costs to completion and costs necessary to make the sale. Where the expectation is different from the original estimate, such difference will have an impact on the carrying value of inventories and the write-down of inventory amount in the year in which such estimates have been changed.

(b) Allowance for Expected Credit Loss of Receivables

Except for certain trade receivables from customers with specific credit risk that management adopts an individual impairment assessment approach, the Group uses a provision matrix to calculate ECLs for receivables. The loss allowances for receivables are based on assumptions about risk of default and expected loss rates to determine the expected loss. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation. The historical loss rates are adjusted to reflect the forward-looking information on macroeconomic factors as well as the credit rating analysis of respective customers and other external data which have impacts to the ability of the customers to settle the receivables.

The Group takes into account different macroeconomic scenarios in considering forward-looking information in Chinese mainland and abroad. The Group regularly monitors and reviews the key macroeconomic assumptions and parameters related to the calculation of expected credit losses. The Group has identified the Gross Domestic Product (“GDP”) of the countries in which it sells its goods to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

(c) Impairment of Non-Financial Assets

The Group tests at least annually whether goodwill has suffered any impairment. Non-financial assets, mainly including property, plant and equipment, intangible assets, investment properties, investments in associates and joint ventures, investments in subsidiaries, as well as right-of-use assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. The recoverable amounts have been determined based on value-in-use (“VIU”) calculations or fair value less costs of disposal (“FVLCD”). These calculations require the use of judgments and estimates.

Judgment is required to identify any impairment indicators existing for any of the Group’s non-financial assets, to determine appropriate impairment approaches, i.e., fair value less costs of disposal or value in use, for impairment review purposes, and to select key assumptions applied in the adopted valuation models. Changing the assumptions selected by management in assessing impairment could materially affect the result of the impairment test and in turn affect the Group’s financial condition and results of operations. If there is a significant adverse change in the key assumptions applied, it may be necessary to take additional impairment charge to the consolidated statements of profit or loss.

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(d) Income Tax and Deferred Taxation

Estimation and judgment are required in determining the amount of the provision for income tax. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact on the income tax and deferred taxation provisions in the period in which such determination is made.

Deferred tax assets are recognized for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and deductible temporary difference can be utilized. Significant estimation is required in determining the recoverability of deferred tax assets.

In the event that future tax rules and regulations or related circumstances change, adjustments to current and deferred taxation may be necessary which would impact on the Group’s results or financial position.

(e) Fair Value Measurement of Financial Assets at Level 3 Fair Value Hierarchy

The fair value of financial instruments classified as level 3 is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the valuation techniques, inputs and key assumptions used in the determination of the fair value of financial assets and liabilities at level 3 fair value hierarchy see Note 3.5.

(f) Classification of Properties

The Group is primarily engaged in the leasing, promoting and operation of marketplace, which involves the provision of marketing, hospitality, warehousing and logistics services, as well as exhibitions and convention services across its physical locations.

The Group classifies buildings used for market operations, hospitality services, warehousing and logistics services, exhibitions and convention services (all of which are directly related to the Group’s principal business activities), as well as buildings for administrative purposes, as property, plant and equipment, and recognises the corresponding land use rights as right-of-use assets.

For properties leased to auxiliary service providers, including restaurants and bank, where such leasing activities are not directly related to the Group’s principal business activities, the Group assessed that the non-lease components (e.g., provision of property management services) are relatively insignificant. Such properties are held to earn rentals and/or for capital appreciation (including properties under construction for such purposes) and therefore the Group classifies these properties as investment properties. In cases where buildings are classified as investment properties, the corresponding land use rights are also presented as part of investment properties.

(g) Revenue from contracts with customers

Information about the critical accounting estimates and judgments relating to revenue from contracts with customers is provided in note 5.

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5. OPERATING SEGMENT INFORMATION

(a) Revenue

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following business lines:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Market operations	3,035,052	4,529,522	5,255,112
Trade services	469,501	547,302	1,305,019
Commodity sales	6,791,567	9,257,235	9,984,021
Ancillary services	466,621	448,389	543,029
Ancillary facility development and sales (i)	39,296	2,752	1,950,258
Others	54,692	31,974	43,410
Revenue from contracts with customers	10,856,729	14,817,174	19,080,849
Lease income	424,050	657,710	626,587
	<u>11,280,779</u>	<u>15,474,884</u>	<u>19,707,436</u>

- (i) The increase in 2025 resulted primarily from the sale of the ancillary office buildings of the global digital trade center and the logistics park.

Geographical information by customers

The Company is domiciled in Chinese mainland. The amount of the Group’s revenue from external customers by delivery location is shown in the table below:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Chinese mainland	10,959,186	14,938,928	18,960,780
Other countries or regions	321,593	535,956	746,656
	<u>11,280,779</u>	<u>15,474,884</u>	<u>19,707,436</u>

Timing of revenue from contracts with customers recognition

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
By revenue recognition date			
— At a point in time	7,128,959	9,781,366	12,412,558
— Over time	3,727,770	5,035,808	6,668,291
	<u>10,856,729</u>	<u>14,817,174</u>	<u>19,080,849</u>

Operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision maker (“CODM”). The executive directors assess the financial performance and position of the Group and make strategic decisions. The executive directors, which has been identified as being the CODM, consists of the executive director and the chief financial officer.

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For the purposes of assessing segment performance and allocating resources between segments, the CODM monitor the results attributable to each reportable segment on the following bases:

Revenue and cost are allocated to the reportable segments with reference to sales generated by those segments and the costs incurred by those segments. The measure used for reporting segment profit is gross profit.

The segment information provided to the CODM for the reportable segments for the years ended December 31, 2023, 2024 and 2025 is as follows:

Segment information for the year ended December 31, 2023 is as follows:

	Market operations unit	Trade services unit	Ancillary facility development and sales unit	Ancillary services unit	Commodity sales unit	Elimination between business units	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from transactions							
with external customers	3,050,596	469,875	39,296	504,285	6,792,677	—	10,856,729
Other revenue (i)	256,991	157,837	—	9,222	—	—	424,050
Inter-segment revenue	43,363	96,633	—	62,460	78,238	(280,694)	—
Cost of revenue	778,318	229,440	36,705	425,900	6,759,774	(106,294)	8,123,843
Lease cost	98,424	90,077	—	6,051	—	(12,653)	181,899
Gross profit	2,474,208	404,828	2,591	144,016	111,141	(161,747)	2,975,037
Operating profit/(losses)	2,109,542	129,456	1,248	(65,329)	17,982	104,993	2,297,892
Finance income	53,044	13,778	1	4,178	571	(4,138)	67,434
Finance costs	(196,671)	—	—	(2)	(576)	4,138	(193,111)
Share of profits or losses of investments accounted for using the equity method	1,071,651	(35,837)	—	—	44	—	1,035,858
Profit/(losses) before income tax	3,037,566	107,397	1,249	(61,153)	18,021	104,993	3,208,073
Total assets	35,628,631	11,253,898	71,742	1,497,430	1,428,611	(13,661,365)	36,218,947
Total liabilities	16,170,065	5,812,097	2,654	1,476,310	1,268,115	(6,214,232)	18,515,009

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Segment information for the year ended December 31, 2024 is as follows:

	Market operations unit	Trade services unit	Ancillary facility development and sales unit	Ancillary services unit	Commodity sales unit	Elimination between business units	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Revenue from transactions							
with external customers	4,539,604	559,492	2,752	455,978	9,259,348	—	14,817,174
Other revenue (i)	441,286	188,973	326	26,039	1,086	—	657,710
Inter-segment revenue	61,826	132,176	—	70,751	67,937	(332,690)	—
Cost of revenue	686,812	144,807	3,692	389,824	9,193,275	(74,064)	10,344,346
Lease cost	225,721	142,298	—	23,728	509	(91,989)	300,267
Gross profit/(losses)	4,130,183	593,536	(614)	139,216	134,587	(166,637)	4,830,271
Operating profit/(losses)	3,689,248	226,030	156	(47,979)	(12,084)	113,371	3,968,742
Finance income	28,718	8,013	1	2,769	2,635	—	42,136
Finance costs	(138,205)	(3,165)	—	—	(475)	—	(141,845)
Share of profits or losses of investments accounted for using the equity method	157,355	2,084	—	—	271	—	159,710
Profit/(losses) before income tax	3,737,116	232,962	157	(45,210)	(9,653)	113,371	4,028,743
Total assets	39,399,893	8,198,244	71,345	1,476,419	1,925,231	(11,902,671)	39,168,461
Total liabilities	15,607,194	3,382,366	2,101	1,397,464	1,800,830	(3,593,954)	18,596,001

Segment information for the year ended December 31, 2025 is as follows:

	Market operations unit	Trade services unit	Ancillary facility development and sales unit	Ancillary services unit	Commodity sales unit	Elimination between business units	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Revenue from transactions							
with external customers	5,258,855	1,321,130	1,950,258	564,762	9,985,844	—	19,080,849
Other revenue (i)	382,221	223,175	—	21,191	—	—	626,587
Inter-segment revenue	69,301	155,090	261	107,862	101,093	(433,607)	—
Cost of revenue	875,083	255,831	1,746,193	473,653	9,915,187	(56,260)	13,209,687
Lease cost	247,910	143,620	—	10,231	—	(93,204)	308,557
Gross profit	4,587,384	1,299,944	204,326	209,931	171,750	(284,143)	6,189,192
Operating profit	3,781,126	1,215,085	201,739	5,689	38,003	(20,952)	5,220,690
Finance income	58,270	2,508	13	2,981	2,997	—	66,769
Finance costs	(78,000)	(1,233)	—	—	(260)	—	(79,493)
Share of profits or losses of investments accounted for using the equity method	182,808	16,726	—	—	72	—	199,606
Profit before income tax	3,944,204	1,233,086	201,752	8,670	40,812	(20,952)	5,407,572
Total assets	40,548,653	9,391,119	611,529	1,671,029	2,963,675	(10,780,569)	44,405,436
Total liabilities	14,977,866	3,356,439	544,597	1,517,781	2,801,510	(1,821,448)	21,376,745

(i) Other revenue represents lease income.

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(c) Revenue from Major Customers

Revenue from customer for the years ended December 31, 2023, 2024 and 2025 contributing over 10% of the total sales of the Group are as follows:

	Year ended December 31,					
	2023		2024		2025	
	RMB’000	%	RMB’000	%	RMB’000	%
Customer A	<u>1,799,489</u>	<u>15.95%</u>	<u>1,580,457</u>	<u>10.21%</u>	<u>N/A*</u>	<u>N/A*</u>

* Less than 10% of the Group’s revenue for the respective year.

(d) Contract Liabilities

During the Track Record Period, the additions to the contract liabilities were primarily due to cash collections in advance of fulfilling performance obligations, while the reductions to the contract liabilities were primarily due to the recognition of revenues upon fulfilment of performance obligations.

The Group

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Current			
Advance for market operations service	3,407,705	2,845,988	4,878,849
Advance for commodity sales	820,058	997,203	1,634,316
Advance for ancillary facility development sales	5,091	1,508,678	379,335
Others	<u>207,033</u>	<u>581,127</u>	<u>573,255</u>
	4,439,887	5,932,996	7,465,755
Non-current			
Advance for market operations service	<u>—</u>	<u>—</u>	<u>4,703,512</u>
	<u>4,439,887</u>	<u>5,932,996</u>	<u>12,169,267</u>

As at January 1, 2023, the Group’s contract liabilities from customers amounted to approximately RMB4,630,047,000.

The following table shows how much of the revenue, which was included in the contract liabilities at the beginning of the year, recognized during the Track Record Period relates to carried-forward contract liabilities:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Revenue recognized that was included in the beginning balance	<u>4,245,188</u>	<u>4,172,699</u>	<u>5,171,596</u>

Management expects that the unsatisfied performance obligations, recognized as current liabilities, will be fulfilled within one year, while the non-current portion will be fulfilled over the following one to two years.

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The Company

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Current			
Advance for market operations service	3,346,503	2,813,327	4,878,849
Advance for commodity sales	10,680	19,798	22,637
Advance for ancillary facility development sales	—	1,508,678	379,335
Others	19,271	14,512	51,261
	<u>3,376,454</u>	<u>4,356,315</u>	<u>5,332,082</u>
Non-current			
Advance for market operations service	—	—	4,703,512
	<u>3,376,454</u>	<u>4,356,315</u>	<u>10,035,594</u>

As at January 1, 2023, the Company’s contract liabilities from customers amounted to approximately RMB3,671,054,000.

(e) Accounting Policies and Significant Judgments for Revenue Recognition

The Group recognizes revenue when (or as) a performance obligation is satisfied, i. e., when control of the goods or services underlying the particular performance obligation is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time. Control of the goods and services is transferred over time if the Group’s performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods and services transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the goods and services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(i) Market Operations

The Group operates and manages 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.

In its market operations, the Group provides merchant onboarding, booth allocation, product category planning, day-to-day market governance and various promotional campaigns, as well as a range of other services related to its trading service business line and ancillary services.

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Under the marketplace operation model, the Group primarily generates revenue through (i) booth usage fees and (ii) entry fees.

Booth usage fees are determined with reference to booth location, product category and prevailing market conditions. Revenue arising from booth usage fees is recognised by the Group at the amount agreed in the agreement on a straight-line basis over the contractual period.

Entry fees are charged for newly allocated or reconfigured booths, reflecting the organizational work, preparation and reintroduction efforts required to enable such booths to operate effectively, together with related follow-up marketplace services, including promoting and marketing the marketplace. Entry fees are recognised over time based on input method, which is to recognise revenue on the basis of the Group’s efforts and inputs to provide services to the merchants relative to the total expected inputs to provide such services. The Group estimated the expected inputs and efforts based on historical experience taking into consideration of latest market situation, which involves significant management judgement. In particular, platform seat fees in connection with the initial allocation of booths and merchant sourcing and onboarding, as well as the provision of ancillary services supporting merchants’ initial move-in to the market, are recognised over time throughout the period during which the merchants onboarded.

(ii) *Trade Services*

Digital Trade Services

Revenue from digital trade services is derived mainly from the *Chinagoods*, which serves as the online extension of the physical marketplaces by connecting merchants, products, and buyers. Revenue is recognized based on the tiered service packages offered, which include annual subscription fees, value-added service fees, and digital platform infrastructure fees. Annual subscription fees are recognized on a straight-line basis over the subscription period, while value-added service fees and digital platform infrastructure fees are recognised when the related services are rendered.

Trade-Related Financial Services

The Group offers cross-border payment service, domestic payment and e-CNY services, credit reporting services and factoring services. Except revenue from credit reporting services and factoring services are recognized over time, revenue from other services are recognized at a point in time when control of the service transfers to the customer. This transfer occurs when the services have been completed in accordance with the contractual specifications and the customer has formally accepted the services, thereby confirming that the Group has fulfilled its performance obligation.

(iii) *Commodity Sales*

Revenue from commodity sales is primarily derived from import and export trading and retail business cross-border trade activities. The Group recognizes revenue at a point in time for commodity sales.

Revenue from domestic sales of commodities shall be recognized at a point in time based on the sales contracts, settlement vouchers and other supporting documents, generally upon either (i) the customer taking delivery of the commodities at the Group’s designated location (customer pick-up), or (ii) the completion of commodities delivery to the named place of destination and acceptance by the customer. Upon confirming the acceptance, the customer has the right to sell the commodities at its discretion and takes the risks of any price fluctuation and obsolescence and loss of the products.

Revenue from overseas sales of commodities shall be recognized based on the sales contracts, customs declaration form, bill of lading, and other documents. Upon the completion of customs declaration or arrival to the named port, the buyer has the right to sell the products at its discretion and takes the risks of any price fluctuation and obsolescence and loss of the products.

For commodity sales, the Group considers itself to be the provider of services, as it controls the commodities at any point in time before they are transferred to customers. This control is evidenced by: (i) the Group is primarily responsible for fulfilling the promise to provide the specified goods; (ii) the Group bears inventory risk before the

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commodities are transferred to customers; and (iii) the Group has discretion in establishing the prices of the commodities. Accordingly, the Group acts as the principal in these arrangements and recognises revenue and the related costs incurred on a gross basis.

(iv) *Ancillary Services*

Hospitality Services

Revenue is primarily derived from the hotel room service, food and beverage services and other ancillary goods and services, including but not limited to conference reservation, merchandise sales and venue leasing. Each of these products and services represents an individual performance obligation and, in exchange for these services, the Group receives fixed amounts based on published rates or negotiated contracts. Payment is due in full at the time when the services are rendered or the goods are provided. Room rental revenue is recognized on a daily basis when rooms are occupied. Food and beverage revenue and other goods and services revenue are recognized when they have been delivered or rendered to the guests as the respective performance obligations are satisfied.

Exhibition and Convention Services

Revenue is primarily derived from exhibition organization services, exhibition venues lease and exhibition-related supporting services. Revenue from exhibition organization services and exhibition agency services are recognized at a point in time when control of the service transfers to the customer. This transfer occurs when the services have been completed in accordance with the contractual specifications and the customer has formally accepted the services, thereby confirming that the Group has fulfilled its performance obligation.

(v) *Ancillary Facility Development and Sales*

The Group develops and sells commercial streets, office buildings and logistics park to support and enhance market operations services. Revenues are recognized when or as the control of the property is transferred to the customer. Revenue is recognized when the customer obtains the physical possession or the legal title of the completed property and the Group has present right to payment.

6. OTHER INCOME

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Government grants (i)	32,169	44,849	57,277
Interest income (ii)	21,434	28,362	54,358
Dividend income (iii)	17,871	97,163	5,811
Others	52	570	611
	<u>71,526</u>	<u>170,944</u>	<u>118,057</u>

- (i) The amount mainly comprises subsidies received from the PRC local government authorities as incentives for the Group’s construction activities. Unconditional government grants are recognized in profit and loss when received, while conditional government grants are recognized in profit or loss when the Group fulfilled the conditions.
- (ii) The amount mainly comprises interest income from the Group’s term deposits, amount due from joint ventures, and entrusted loans. Interest income from cash and cash equivalent is included in “Finance costs, net” (Note 10).
- (iii) Dividends are received from equity investment. Dividends are recognised when the right to receive payment is established in profit or loss, unless they clearly represent a recovery of part of the cost of an investment. The Group presents dividends recognised in profit or loss as other income.

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7. OTHER GAINS/(LOSSES), NET

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Net gains on disposal of financial instruments	2,946	4,650	5,837
Fair value changes in financial instruments	(52,431)	12,871	247,657
Net foreign exchange gains/(losses)	4,963	701	(85)
Net gains/(losses) on disposal of property, plant and equipment and other long-term assets (i)	139,114	(87)	2,199
Losses from disposal of other financial assets at fair value through profit or loss	(421)	(979)	—
Gains from disposal of subsidiary	9,663	—	—
Gains from disposal of associates	—	—	84
Net gains on disposal of investment properties	—	83,290	76,815
Provisions reversed (ii)	110,621	—	—
Forfeited trade payables	—	12,107	—
Compensation received	5,852	7,884	54,685
Others	963	2,029	(138)
	221,270	122,466	387,054

(i) In 2023, the government demolished the Binwang Market and revoked the land use rights, in consideration of which it provided demolition compensation to the Company.

(ii) In 2017, the Company’s former subsidiary, Zhejiang Yiwu China Commodities City Trading Co., Ltd. (the “Trading Company”, which became an associate of the Company in 2018), experienced a letter of credit default due to its employee’s involvement in letter of credit fraud. The Company initially recognized a provision for contingent liabilities of RMB136,939,000 in 2017. In 2018, after the Company and the Trading Company were sued, the provision was adjusted to RMB110,620,000 based on the claim amount asserted in the lawsuit.

In August 2023, the Company received a civil judgment from the court, ruling that the Trading Company is liable for repaying the plaintiff the letter of credit advance of RMB95,218,000, along with the corresponding interest and compound interest. In November 2023, the Company obtained a final court decision ruling in its favour and confirming that the Company is not liable for the relevant letters of credit. Accordingly, the provision for contingent liabilities previously recognized by the Company was reversed in 2023.

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8. EXPENSE BY NATURE

Expenses included in cost of revenue, general and administrative expenses, selling and marketing expenses and research and development expenses are analyzed as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Cost of commodities	6,757,562	9,189,222	9,912,299
Depreciation and amortization	888,139	890,339	1,002,037
Employee benefits expenses (<i>Note 9</i>)	536,292	570,036	680,804
Property management fees	270,994	269,889	332,388
Taxes and surcharges	146,197	213,544	336,739
Promotional expenses	142,522	171,911	288,698
Food and beverage costs	103,063	114,405	126,517
Property maintenance costs	70,076	102,359	156,654
Market operations service fee	47,339	47,455	42,386
Utility expenses	42,788	31,261	17,892
Cost of ancillary sold	36,705	3,692	1,746,193
Advertising expenses	26,939	57,245	80,417
Office expenses	24,982	26,350	29,951
Professional services and other consulting fees	16,178	9,223	16,106
Hotel operating costs	10,055	12,610	13,180
Auditors’ remuneration	3,419	3,060	3,004
Other expenses	154,571	74,060	195,882
	9,277,821	11,786,661	14,981,147

9. EMPLOYEE BENEFITS EXPENSES (INCLUDING DIRECTORS’ REMUNERATION)

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Salaries, wages and bonuses	391,454	411,712	515,694
Share-based compensation expenses	16,507	8,408	610
Housing fund, medical insurance and other social insurance	45,300	49,649	51,216
Pension costs — defined contribution plan	30,904	38,126	41,267
Other employee benefits	52,127	62,141	72,017
	536,292	570,036	680,804

- (i) Other employee benefits primarily consist of staff welfare expenses, trade union funds, staff education funds and corporate annuity plan.
- (ii) The Group is required to make contributions for its employees in the PRC to the state-sponsored retirement plan at a certain rate based on the qualified salaries of the individual employees. The PRC government is responsible for the pension liability of the retired employees.

Employees who have completed one year of service with the Group are eligible to participate in the corporate annuity plan. The Group contribute 8% of the salary of participating employee to the scheme each year.

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(a) Directors’ and Supervisors’ Remuneration

Directors’ and supervisors’ remuneration for the year, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, is as follows:

Year ended December 31, 2023	Fees	Salaries, wages and bonuses	Retirement benefits	Housing fund and other benefits	Share-based compensation expenses	Total remuneration before tax
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Executive directors:						
Mr. Zhao Wenge	—	740	40	111	128	1,019
Mr. Wang Dong	—	740	40	111	128	1,019
Mr. Xu Hang	—	629	40	111	128	908
Non-executive directors: (*)						
Mr. Li Chengqun	—	—	—	—	—	—
Mr. Zhang Lang	—	—	—	—	—	—
Mr. Zhang Leping	—	—	—	—	—	—
Independent non-executive directors:						
Mr. Ma Shuzhong	92	—	—	—	—	92
Mr. Hong Jianqiao	94	—	—	—	—	94
Mr. Luo Jinming	92	—	—	—	—	92
Supervisors:						
Mr. Wang Jinjian (*)	—	—	—	—	—	—
Mr. Fang Min	—	317	40	95	—	452
Mr. Jin Yongsheng	—	189	14	47	—	250
Independent supervisors: (*)						
Ms. Jin Xiaojia	—	—	—	—	—	—
Ms. Wu Menghua	—	—	—	—	—	—
	278	2,615	174	475	384	3,926

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Year ended December 31, 2024	Fees	Salaries, wages and bonuses	Retirement benefits	Housing fund and other benefits	Share-based compensation expenses	Total remuneration before tax
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Executive directors:						
Mr. Zhao Wenge (i)	—	355	17	47	(162)	257
Mr. Wang Dong	—	651	44	113	57	865
Mr. Xu Hang	—	553	44	113	57	767
Non-executive directors: (*)						
Mr. Li Chengqun	—	—	—	—	—	—
Mr. Zhang Lang	—	—	—	—	—	—
Mr. Zhang Leping (ii)	—	—	—	—	—	—
Ms. Liu Xiaojing (ii)	—	—	—	—	—	—
Independent non-executive directors:						
Mr. Ma Shuzhong	98	—	—	—	—	98
Mr. Hong Jianqiao	96	—	—	—	—	96
Mr. Luo Jinming	98	—	—	—	—	98
Supervisors:						
Mr. Wang Jinjian (*)	—	—	—	—	—	—
Mr. Fang Min	—	318	43	97	—	458
Mr. Jin Yongsheng	—	203	18	51	—	272
Independent supervisors: (*)	—	—	—	—	—	—
Ms. Jin Xiaojia	—	—	—	—	—	—
Ms. Wu Menghua	—	—	—	—	—	—
	292	2,080	166	421	(48)	2,911

- (i) Mr. Zhao Wenge resigned as executive director of the Company in May 2024 and therefore failed to satisfy the service condition of the share-based payment arrangement. As a result, the share-based compensation expenses previously recognised in prior years were reversed in 2024.
- (ii) Mr. Zhang Leping resigned as a non-executive director in August 2024, and Ms. Liu Xiaojing was appointed as a non-executive director in September 2024.

Year ended December 31, 2025	Fees	Salaries, wages and bonuses	Retirement benefits	Housing fund and other benefits	Share-based compensation expenses	Total remuneration before tax
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Executive directors:						
Mr. Chen Dezhan (i)	—	374	24	60	—	458
Mr. Wang Dong (i)	—	464	24	57	2	547
Mr. Bao Hua (i)	—	658	49	117	—	824
Mr. Xu Hang	—	761	49	117	2	929
Mr. Wang Xiangrong (i)	—	63	8	19	—	90
Non-executive directors: (*)						
Mr. Li Chengqun (ii)	—	—	—	—	—	—
Mr. Zhang Lang (ii)	—	—	—	—	—	—
Ms. Liu Xiaojing	—	—	—	—	—	—
Mr. Wu Xiubin (ii)	—	—	—	—	—	—
Independent non-executive directors:						
Mr. Ma Shuzhong (iii)	105	—	—	—	—	105
Mr. Hong Jianqiao	116	—	—	—	—	116
Mr. Luo Jinming	114	—	—	—	—	114
Mr. Zhang Chenghong (iii)	5	—	—	—	—	5
Supervisors: (iv)						
Mr. Wang Jinjian (*)	—	—	—	—	—	—
Mr. Fang Min	—	253	35	74	—	362
Mr. Jin Yongsheng	—	163	15	39	—	217
Independent supervisors: (iv)(*)						
Ms. Wang Gaiying (v)	—	—	—	—	—	—
Ms. Jin Xiaojia (v)	—	—	—	—	—	—
Ms. Wu Menghua	—	—	—	—	—	—
	340	2,736	204	483	4	3,767

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- (i) Mr. Wang Dong resigned as an executive director of the Company in June 2025; Mr. Bao Hua, Mr. Wang Xiangrong and Mr. Chen Dezhan were appointed as executive directors of the Company in January, October and July 2025.
- (ii) Mr. Li Chengqun and Mr. Zhang Lang resigned as non-executive directors of the Company in April and July 2025; Mr. Wu Xiubin was appointed as a non-executive director of the Company in December 2025.
- (iii) Mr. Ma Shuzhong resigned as an independent non-executive director of the Company in December 2025; Mr. Zhang Chenghong was appointed as an independent non-executive director of the Company in December 2025.
- (iv) The Company held its third extraordinary general meeting in 2025 on September 29, 2025, approving the abolition of the board of supervisors by special resolution. As at December 31, 2025, the board of supervisors and all supervisor positions (including independent supervisors) have been cancelled. The current period remuneration represents supervisors’ remuneration expenses for the period from January to September 2025.
- (v) Ms. Jin Xiaojia resigned as independent supervisors of the Company in January 2025; Ms. Wang Gaiying was appointed as an independent supervisor of the Company in February 2025.
- * These non-executive directors, a supervisor and independent supervisors did not receive any remuneration from the Group in relation to his services rendered for the Group. The remunerations were borne by the Holding Company and not allocated to the Group as management of the Company considers there is no reasonable basis for such allocation during the Track Record Period.

Subsequent to the Track Record Period, in April 2026, the Company nominated Mr. Wong Kennedy Ying-ho as a candidate for independent non-executive Director. His appointment shall take effect upon the [REDACTED] of the Company’s H shares on the Main Board of The Stock Exchange of Hong Kong Limited and shall last until the expiration of the term of the tenth session of the Board of Directors.

(b) Directors’ and Supervisors’ Other Benefits

No termination benefits were paid to the directors and supervisors of the Company by the Group in respect of the director’s services as a director and a supervisor of the Group or other services in connection with the management of the affairs of the Group during the Track Record Period.

No consideration provided to third parties for making available directors’ and supervisors’ services subsisted at the end of each reporting period or at any time during the Track Record Period.

There were no loans, quasi-loans or other dealings entered into in favor of directors, controlled bodies corporate by and connected entities with such directors during the Track Record Period.

Save as disclosed in Note 46, there were no significant transactions, arrangements and contracts in relation to the Group’s business to which the Company was a party and in which a director and a supervisor of the Company had a material interest, whether directly or indirectly, subsisted during the Track Record Period.

(c) Five Highest Paid Individuals

The five individuals whose emoluments were the highest in the Group do not include any director or supervisor during the years ended December 31, 2023, 2024 and 2025.

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The emoluments paid to the five highest paid individuals during the years ended December 31, 2023, 2024 and 2025, respectively, are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Wages, salaries and bonuses and benefits in kind (including contributions to pension plans)	7,011	7,902	7,307
Share-based payments	85	38	1
	<u>7,096</u>	<u>7,940</u>	<u>7,308</u>

Details of the remuneration of the five highest paid individuals of the Group during the Track Record Period are as follows:

	Year ended December 31,		
	2023	2024	2025
HKD1,000,001 to HKD1,500,000	3	2	2
HKD1,500,001 to HKD2,000,000	<u>2</u>	<u>3</u>	<u>3</u>
	<u>5</u>	<u>5</u>	<u>5</u>

10. FINANCE COSTS, NET

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Finance income:			
Interest income from financial assets held for cash management purposes	<u>67,434</u>	<u>42,136</u>	<u>66,769</u>
Finance costs:			
Interest expenses on lease liabilities	(5,165)	(11,755)	(9,848)
Interest expenses on borrowings	(75,382)	(72,858)	(18,660)
Interest expenses on bonds and short-term commercial paper	(191,388)	(186,594)	(124,546)
Less: capitalized finance costs (i)	<u>78,824</u>	<u>129,362</u>	<u>73,561</u>
	<u>(193,111)</u>	<u>(141,845)</u>	<u>(79,493)</u>
Finance costs, net	<u>(125,677)</u>	<u>(99,709)</u>	<u>(12,724)</u>

- (i) During the years ended December 31, 2023, 2024 and 2025, borrowings were capitalized to expenditure on construction in progress and inventories at a weighted average rate of 2.86%, 2.95% and 2.30%, respectively.

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11. INCOME TAX EXPENSE

The income tax expense of the Group during the Track Record Period are analyzed as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Current income tax	517,102	923,509	1,149,999
Deferred income tax	9,568	26,986	41,857
	526,670	950,495	1,191,856

The Group is subject to income tax on an entity basis on profits arising in or derived from the different jurisdictions in which members of the Group are domiciled and operate.

(a) PRC Corporate Income Tax

In accordance with the relevant regulations of the Enterprise Income Tax laws (the “EIT Law”) of the PRC, the applicable statutory tax rate of the PRC subsidiaries is 25% unless those subject to tax exemption set out below.

During the Track Record Period, three subsidiaries of the Group qualified High and New Technology Enterprises (“HNTE”) and hence they are entitled to a preferential CIT rate of 15%.

(b) Hong Kong Profits Tax

Hong Kong profits tax is levied under a two-tiered progressive regime: profits derived from assessable income not exceeding HKD2 million are subject to a tax rate of 8.25%, while profits exceeding HKD2 million are subject to a tax rate of 16.5%. During the track record period, one subsidiary of the Company qualifies for the aforementioned two-tiered profits tax concession, while no Hong Kong profit tax was provided for the other Hong Kong subsidiaries as there was no estimated assessable profit.

(c) Corporate Income Tax in Other Jurisdictions

The income tax rates of the subsidiaries in Czech Republic, Germany, Rwanda, Kenya, Spain, BVI and Dubai are 19%, 15%, 30%, 30%, 25%, nil and nil, respectively.

(d) OECD Pillar Two Model Rules

Amendments to IAS 12 “International Tax Reform — Pillar Two Model Rules” were issued on May 23, 2023 which are effective upon issuance and require retrospective application. The amendments provide a temporary exception from deferred tax accounting for the income tax arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organization for Economic Cooperation and Development (“OECD”).

The Group is within the scope of global minimum tax (“GMT”) under the OECD Pillar Two model rules (“Pillar Two”). Subject to tax legislation enacting Pillar Two Being passed in the jurisdictions where the Company and its subsidiaries operate, the Group is liable to pay a top-up tax for any deficiency between the minimum tax rate of 15% and the effective tax rate per respective jurisdiction. The Group applies the IAS 12 exception to recognition and disclosure information about deferred tax assets and liabilities relating to Pillar Two income taxes.

For those jurisdictions where the Pillar Two legislation was enacted but not effective at the reporting date, the Group has no related current tax exposure. However, certain subsidiaries of the Company are located in jurisdictions where Pillar Two legislation has been enacted, specifically the Czech Republic and Germany, effective since 1 January 2024, as well as Hong Kong, Dubai and Kenya, effective since 1 January, 2025. Based on the Group’s assessment, there is no material related current tax exposure in these jurisdictions for the years ended December 31, 2024 and 2025.

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- (e) The income tax on the Group’s profit before income tax differs from the theoretical amount that would arise using the enacted tax rate applicable to profits of the subsidiaries as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Profit before income tax	3,208,073	4,028,743	5,407,572
Calculated at the PRC taxation rate of the Company (25%)	802,019	1,007,186	1,351,893
Effect of different tax rates applicable to subsidiaries (i)	(4,425)	(4,616)	(79,138)
Adjustments in respect of current tax of previous periods	(21,857)	36,739	2,772
Non-deductible expenses for tax purposes	113	2,785	654
Utilization of previously unrecognized tax losses and temporary differences	(18,466)	(8,075)	(31,128)
Unused tax losses and temporary differences not recognized as deferred tax assets (ii)	47,039	32,938	7,210
Tax effect of non-taxable income	(277,753)	(116,462)	(60,407)
	526,670	950,495	1,191,856

- (i) Reconciling differences are attributable to variations between the statutory tax rates applicable to certain subsidiaries and the Company’s 25% rate.
- (ii) Deferred income tax assets relating to these unused tax losses are not recognized as the management considers it is uncertain to utilize these unrecognized tax credits prior to their expiry dates mainly because future performance of the related companies are uncertain.

12. DIVIDENDS

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Final cash dividends in respect of the previous year, declared and paid during the year	356,595	1,096,575	1,809,599

- (i) The final dividends of RMB0.65, RMB2.0 and RMB3.3 per 10 shares (tax inclusive) in respect of the years ended December 31, 2022, 2023 and 2024 were approved by the Annual General Meeting of the Company.

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13. EARNINGS PER SHARE

(a) Basic Earnings Per Share

The calculation of basic earnings per share is based on the following:

	Year ended December 31,		
	2023	2024	2025
Profit attributable to ordinary shareholders of the Company (RMB’000)	2,676,182	3,073,677	4,203,547
Less: Dividends payable to expected vested restricted shares (RMB’000)	(2,256)	(2,669)	—
Profit attributable to ordinary shareholders of the Company used in calculating basic EPS (RMB’000)	2,673,926	3,071,008	4,203,547
Weighted average number of ordinary shares in issue (thousands)	5,458,275	5,468,550	5,481,871
Basic EPS (RMB per share)	0.49	0.56	0.77

(b) Diluted Earnings Per Share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	Year ended December 31,		
	2023	2024	2025
Adjusted profit attributable to owners of the Company used in calculating diluted EPS (RMB’000)	2,676,182	3,073,677	4,203,547
Weighted average number of ordinary shares in issue (thousands)	5,458,275	5,468,550	5,481,871
Adjustments for potential shares arising from share schemes (thousands)	15,544	9,544	—
Weighted average number of ordinary shares used in calculating diluted EPS (thousands)	5,473,819	5,478,094	5,481,871
Diluted EPS (RMB per share)	0.49	0.56	0.77

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14. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The amounts of investments in associates and joint ventures recognized in the Historical Financial Information are as follows:

The Group

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Associates	5,535,664	5,463,895	5,589,372
Joint ventures (i)	1,487,116	1,483,222	847,401
	7,022,780	6,947,117	6,436,773

The movements of investments in associates and joint ventures during the Track Record Period are as follows:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
At the beginning of the year	6,033,474	7,022,780	6,947,117
Additions and transfer	—	147,553	165,000
Disposals	—	—	(292)
Redemption of principal	(50,000)	(174,782)	(45,183)
Share of results of associates and joint ventures	1,035,858	159,710	199,606
Share of other comprehensive income	885	(11)	(222)
Share of other shareholders’ capital increase	2,563	—	28,158
Dividends	—	(208,381)	(857,384)
Currency translation differences	—	248	(27)
At the end of the year	7,022,780	6,947,117	6,436,773

- (i) In 2017, the Group’s wholly-owned subsidiary, Yiwu China Commodity City Financial Holdings (“Financial Holdings”), partnered with Shanghai Fuxing Industrial Group Co., Ltd. (“Shanghai Fuxing”) to establish Yiwu Commodity City Fuxing Investment Center (Limited Partnership) (the “Yiwu Commodity City Fuxing”). Financial Holdings holds a 49% interest with a contribution of RMB102.92 million and recognizes it as an investment in an associate due to its significant influence. The other limited partner is Shanghai Fuxing.

Separately, Financial Holdings invested RMB9.8 million for a 49% stake in Yiwu China Commodity City Investment Management Co., Ltd. (“Mall Management”), the general partner of Yiwu Commodity City Fuxing and its sub-funds. Both Yiwu Commodity City Fuxing and Mall Management are controlled by Shanghai Fuxing and accounted for as associates.

Yiwu Commodity City Fuxing invested in 12 sub-funds, including Yiwu Shangfu Chuangzhi Investment Center (Limited Partnership) (“Shangfu Fund”). Financial Holdings, as a limited partner of Shangfu Fund, fully contributed RMB617.51 million. The Group recognizes it as a financial asset at fair value through profit or loss. Shangfu Fund used RMB820.54 million to subscribe to newly increased registered capital of Hubei Asset Management Co., Ltd., holding a 22.667% equity interest.

In 2018, due to suspected criminal offenses committed by Shanghai Fuxing and its ultimate controller, Mr. Zhu Yidong, the 22.667% equity interest in Hubei Asset Management held by Shangfu Fund was frozen by the court, as the funding source included Shanghai Fuxing’s contributions. As of 2025, such assets remained frozen.

As at December 31, 2023, 2024 and 2025, the Company believes that its contributions to Yiwu Commodity City Fuxing and Shangfu Fund are unrelated to Shanghai Fuxing’s contributions. Moreover, the underlying asset, Hubei Asset Management Co., Ltd., is under normal operation with an NAV of RMB3,774,611,000 as at December 31, 2025, and therefore, no impairment is made for either investment. However, the Group did not perform any equity pick up since 2019. The related carrying amount as at December 31, 2023, 2024, and 2025 were RMB102,919,000. However, the equity investment in Mall Management has been fully impaired since 2018.

The associates and joint ventures of the Group have been accounted based on the financial information prepared under the accounting policies consistent with the Group.

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Reconciliation of the carrying amount of the interests recognized in the historical financial information:

Associates	Zhejiang Chouzhou Financial Leasing Co., Ltd.			Yiwu Hongyi Equity Investment Fund Partnership Enterprise (Limited Partnership)			Yiwu China Commodity City Real Estate Development Co., Ltd.			Pujiang Green Valley Real Estate Co., Ltd.			Zhejiang Zhijie Yuangang International Supply Chain Technology Co., Ltd.		
	As at December 31,			As at December 31,			As at December 31,			As at December 31,			As at December 31,		
	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Amounts of the Group's share of:	574,959	590,725	616,777	904,834	763,850	900,127	3,122,444	3,058,867	3,005,682	349,642	409,526	417,547	131,982	119,890	150,736
Proportion of equity interests(%)	26	26	26	50	50	50	49	49	49	49	49	49	27	27	23
Profit for the year	85,601	106,766	117,052	15,270	614	6,577	137,215	(68,540)	(131,900)	(28,304)	63,098	7,751	(13,581)	(12,667)	512
Other comprehensive income	—	—	—	—	—	—	—	—	—	—	—	—	—	(11)	—
Total comprehensive income	85,601	106,766	117,052	15,270	614	6,577	137,215	(68,540)	(131,900)	(28,304)	63,098	7,751	(13,581)	(12,678)	512

The key financial information of the major associates is as follows:

	Zhejiang Chouzhou Financial Leasing Co., Ltd.			Yiwu Hongyi Equity Investment Fund Partnership Enterprise (Limited Partnership)			Yiwu China Commodity City Real Estate Development Co., Ltd.			Pujiang Green Valley Real Estate Co., Ltd.			Zhejiang Zhijie Yuangang International Supply Chain Technology Co., Ltd.		
	As at December 31,			As at December 31,			As at December 31,			As at December 31,			As at December 31,		
	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Total assets	20,192,248	21,150,749	20,814,464	1,863,027	1,528,343	1,706,514	20,929,308	23,790,131	21,589,681	1,342,144	998,228	950,435	607,584	653,881	903,331
Total liabilities	17,981,455	18,878,731	18,442,246	22,755	(120)	—	14,400,924	17,401,732	15,493,269	635,415	162,460	98,299	204,493	298,730	343,260
The Group's equity interest in net assets	574,806	590,725	616,777	919,584	763,850	852,760	3,120,672	3,057,249	3,004,036	346,297	409,526	417,547	108,834	95,891	130,080
Total revenue	714,059	753,748	806,445	—	—	—	2,923,515	724,104	4,286,216	28	541,143	72,447	558,545	1,487,505	2,269,419
Net profit	329,233	410,638	450,201	30,553	1,228	13,160	280,031	(139,878)	(269,184)	(57,764)	128,771	15,818	(50,301)	(46,914)	2,204
Other comprehensive income	—	—	—	—	—	—	—	—	—	—	—	—	—	(39)	—
Total comprehensive income	329,233	410,638	450,201	30,553	1,228	13,160	280,031	(139,878)	(269,184)	(57,764)	128,771	15,818	(50,301)	(46,953)	2,204

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Joint ventures	Yiwu Business Travel Investment Development Co., Ltd.		Yiwu Guoshen Shangbo Real Estate Co., Ltd.	
	As at December 31,		As at December 31,	
	2023	2024	2023	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Amounts of the Group's share of net asset:	435,930	478,903	495,087	230,224
Proportion of equity interests(%)	49	49	49	49
Profit for the year	38,485	42,501	45,111	59,651
Other comprehensive income	—	—	—	—
Total comprehensive income	38,485	42,501	45,111	59,651

The key financial information of the major joint ventures is as follows:

	Yiwu Business Travel Investment Development Co., Ltd.		Yiwu Guoshen Shangbo Real Estate Co., Ltd.		Yiwu Rongshang Real Estate Co., Ltd.		Yiwu Chuangcheng Real Estate Co., Ltd.	
	As at December 31,		As at December 31,		As at December 31,		As at December 31,	
	2023	2024	2023	2024	2023	2024	2023	2025
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Total assets	1,316,777	1,360,729	1,330,258	2,372,111	133,982	133,980	—	—
Total liabilities	396,667	353,883	291,349	479,826	1	(22)	379,886	309,682
The Group's equity interest in net assets	450,854	493,354	509,066	927,220	65,651	65,650	—	—
Total revenue	246,714	260,065	264,982	11,261,503	—	—	—	—
Net profit	78,541	86,736	92,064	1,737,714	—	—	(3,182)	(7,354)
Other comprehensive income	—	—	—	—	—	—	—	—
Total comprehensive income	78,541	86,736	92,064	1,737,714	—	—	(3,182)	(7,354)

The Group has interests in a number of individually immaterial associates and joint ventures that are accounted for using the equity method. The carrying amount and the Group's share of the results of individually immaterial associates and joint ventures are shown in aggregate as below, respectively:

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Reconciliation of the carrying amount of the interests recognized in the Historical Financial Information:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
The associates and joint ventures			
Aggregate carrying amount of individually immaterial associates and joint ventures	575,769	643,042	620,593
Aggregate amounts of the Group’s share of:			
Profit for the year	(50,308)	13,203	94,852
Other comprehensive income	885	—	(222)
	<u>(49,423)</u>	<u>13,203</u>	<u>94,630</u>

The Company

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Associates	4,397,896	4,535,599	4,541,752
Joint ventures	1,480,018	1,476,040	835,716
	<u>5,877,914</u>	<u>6,011,639</u>	<u>5,377,468</u>

The movements of investments in associates and joint ventures during the Track Record Period are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
At the beginning of the year	4,800,216	5,877,914	6,011,639
Additions and transfers	—	129,494	—
Redemption of principal	—	(5,000)	(3,956)
Dividends	—	(151,613)	(840,988)
Share of other shareholders’ capital increase	—	—	28,158
Share of results of associates and joint ventures	1,077,698	160,855	182,837
Share of other comprehensive income	—	(11)	(222)
At the end of the year	<u>5,877,914</u>	<u>6,011,639</u>	<u>5,377,468</u>

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Reconciliation of the carrying amount of the interests recognized in the Historical Financial Information:

The associates	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Aggregate carrying amount of individually immaterial associates	5,877,914	6,011,639	5,377,468
Aggregate amounts of the Company’s share of:			
Profit for the year	1,077,698	160,855	182,837
Other comprehensive income	—	(11)	(222)
	<u>1,077,698</u>	<u>160,844</u>	<u>182,615</u>

15. FINANCIAL INSTRUMENTS MEASURED AT FVOCI AND FVPL

(a) Financial instruments at FVOCI

The Group and the Company

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Non-current:			
Equity instruments at FVOCI (i)	<u>556,897</u>	<u>671,036</u>	<u>661,002</u>

(b) Financial instruments at FVPL

The Group

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Non-current:			
Assets			
Other financial assets at FVPL:			
— Unlisted equity shares	199,087	239,850	231,372
— Private equity fund investments (ii)	<u>1,222,483</u>	<u>1,242,032</u>	<u>1,364,268</u>
	<u>1,421,570</u>	<u>1,481,882</u>	<u>1,595,640</u>
Current:			
Assets:			
Wealth management products (Note 26)	—	400,317	1,785,358
Other financial assets at FVPL:			
— Listed equity shares	<u>15,131</u>	<u>—</u>	<u>308,282</u>
	<u>15,131</u>	<u>400,317</u>	<u>2,093,640</u>

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The Company

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Non-current:			
Other financial assets at FVPL:			
— Unlisted equity shares	116,027	136,259	135,521
— Private equity fund investments	5,563	5,665	90,550
	121,590	141,924	226,071
Current:			
Wealth management products (<i>Note 26</i>)	—	400,317	1,785,358

- (i) The above equity instruments were irrecoverably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.
- (ii) As disclosed in Note 14, private equity fund investments with carrying amounts of approximately RMB631,521,000, RMB660,196,000 and RMB664,361,000 as at December 31, 2023, 2024 and 2025, respectively, were frozen by court order.

16. SUBSIDIARIES

During the Track Record Period, the Company’s financial principal subsidiaries are as follows:

Name of subsidiary	Place of incorporation and type of legal entity	Share capital registered/paid-up capital	Equity interests held by the Company						Principal activities
			As at December 31,						
			2023		2024		2025		
			Direct	Indirect	Direct	Indirect	Direct	Indirect	
RMB'000									
Yiwu China Commodities City Big Data Co., Ltd. (“義烏中國小商品城大數據有限公司”)	PRC, limited liability company	100,000	100%	—	100%	—	100%	—	Operation of our digital trade service platform Chinagoods
Yiwu China Commodities City Financial Holding Co., Ltd. (“義烏中國小商品城金融控股有限公司”)	PRC, limited liability company	4,000,000	100%	—	100%	—	100%	—	Investment activities
Zhejiang Yiwu China Commodities City Import and Export Co., Ltd. (“浙江義烏中國小商品城進出口有限公司”)	PRC, limited liability company	100,000	100%	—	100%	—	100%	—	The import and export of goods

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The statutory auditors of the above subsidiaries of the Group during the Track Record Period are set out below:

Name of subsidiary	Name of statutory auditors		
	2023	2024	2025
Yiwu China Commodities City Big Data Co., Ltd. (“義烏中國小商品城大數據有限公司”)(a)	Zhejiang Zhicheng Certified Public Accountants LLP	Zhejiang Zhicheng Certified Public Accountants LLP	—
Yiwu China Commodities City Financial Holding Co., Ltd. (“義烏中國小商品城金融控股有限公司”)(b)	Zhejiang Mingda Certified Public Accountants Co., Ltd.	—	—
Zhejiang Yiwu China Commodities City Import and Export Co., Ltd. (“浙江義烏中國小商品城進出口有限公司”)(c)	—	—	—

- (a) No audited financial statements were issued for the company for the years ended December 31, 2025 as it was undergoing an audit.
- (b) No audited financial statements were issued for the company for the years ended December 31, 2024 and 2025 as it was not required to issue audited financial statements under the statutory requirements of their places of incorporation.
- (c) No audited financial statements were issued for these companies for the years ended December 31, 2023, 2024 and 2025 as they were not required to issue audited financial statements under the statutory requirements of their places of incorporation.
- (d) The English names of the Chinese mainland companies are direct translation or transliteration of their Chinese registered names.
- (e) The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

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(f) Material non-controlling interests

As at December 31, 2023, 2024 and 2025, the total non-controlling interests were RMB15,544,000, RMB68,703,000 and RMB80,780,000, respectively, of which RMB60,894,000, RMB68,540,000 and RMB80,330,000 were attributable to Zhejiang Yiwugo E-commerce Co., Ltd. (浙江義烏購電子商務有限公司)(“Yiwugo”). The remaining balances attributable to Haicheng Yiwu China Commodities City Investment Development Co., Ltd. (“Haicheng Yiwu”) were negative RMB52,440,000 as at December 31, 2023, and nil for 2024 and 2025 following its disposal in 2024 (Note 44).

Summarized financial information on subsidiaries with material non-controlling interests

Set out below are the summarized financial information of which has non-controlling interests that are material to the Group.

	Yiwugo			Haicheng Yiwu		
	Year ended December 31,			Year ended December 31,		
	2023	2024	2025	2023	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Revenue	64,101	64,905	69,524	51,630	N/A	N/A
Profit for the year	20,741	15,662	24,490	(100,452)	N/A	N/A
Total comprehensive income for the year	20,741	15,662	24,490	(100,452)	N/A	N/A
Net cash generated from operating activities	18,474	11,411	26,293	(39,390)	N/A	N/A
	Yiwugo			Haicheng Yiwu		
	As at December 31,			As at December 31,		
	2023	2024	2025	2023	2024	2025
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Total non-current assets	56,532	2,541	50,771	832,108	N/A	N/A
Total current assets	122,242	164,413	145,346	1,090,406	N/A	N/A
Total assets	178,774	166,954	196,117	1,922,514	N/A	N/A
Total non-current liabilities	—	—	—	—	N/A	N/A
Total current liabilities	54,500	27,076	31,748	2,971,318	N/A	N/A
Total liabilities	54,500	27,076	31,748	2,971,318	N/A	N/A

The Company

Investments in subsidiaries

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Investments in subsidiaries	4,720,326	4,843,157	5,046,275

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17. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	General equipment	Motor vehicles	Construction in progress	Others	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
At January 1, 2023						
Cost	8,908,266	3,987,304	9,920	860,172	69,569	13,835,231
Accumulated depreciation and impairment	(4,180,664)	(3,200,000)	(7,491)	(4,635)	(59,109)	(7,451,899)
Carrying amounts	4,727,602	787,304	2,429	855,537	10,460	6,383,332
Year ended December 31 , 2023						
Opening carrying amounts	4,727,602	787,304	2,429	855,537	10,460	6,383,332
Additions	1,022	16,802	230	1,488,423	9,842	1,516,319
Adjustment for final settlement account	(5,222)	(8)	—	—	—	(5,230)
Disposals	(57,856)	(645)	—	—	—	(58,501)
Transfers from construction in progress	189,661	42,349	—	(246,193)	14,183	—
Depreciation charges	(373,108)	(80,400)	(759)	—	(13,330)	(467,597)
Closing carrying amounts	4,482,099	765,402	1,900	2,097,767	21,155	7,368,323
At December 31, 2023						
Cost	8,985,025	4,034,533	10,150	2,102,402	93,594	15,225,704
Accumulated depreciation and impairment	(4,502,926)	(3,269,131)	(8,250)	(4,635)	(72,439)	(7,857,381)
Carrying amounts	4,482,099	765,402	1,900	2,097,767	21,155	7,368,323

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	<u>Buildings</u>	<u>General equipment</u>	<u>Motor vehicles</u>	<u>Construction in progress</u>	<u>Others</u>	<u>Total</u>
	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>	<u>RMB’000</u>
At January 1, 2024						
Cost	8,985,025	4,034,533	10,150	2,102,402	93,594	15,225,704
Accumulated depreciation and impairment	(4,502,926)	(3,269,131)	(8,250)	(4,635)	(72,439)	(7,857,381)
Carrying amounts	<u>4,482,099</u>	<u>765,402</u>	<u>1,900</u>	<u>2,097,767</u>	<u>21,155</u>	<u>7,368,323</u>
Year ended December 31 , 2024						
Opening carrying amounts	4,482,099	765,402	1,900	2,097,767	21,155	7,368,323
Additions	1,203	37,569	805	1,043,956	171	1,083,704
Disposals	(5,040)	(430)	(11)	—	—	(5,481)
Transfers from construction in progress	1,429,996	180,073	—	(1,610,069)	—	—
Disposal of subsidiaries (Note 44)	(229,761)	(296,997)	(17)	(27,555)	—	(554,330)
Depreciation charges	(396,821)	(78,491)	(617)	—	(7,221)	(483,150)
Transfers from investment properties	5,592	—	—	—	—	5,592
Closing carrying amounts	<u>5,287,268</u>	<u>607,126</u>	<u>2,060</u>	<u>1,504,099</u>	<u>14,105</u>	<u>7,414,658</u>
At December 31, 2024						
Cost	9,243,104	3,903,543	10,483	1,504,099	93,765	14,754,994
Accumulated depreciation	(3,955,836)	(3,296,417)	(8,423)	—	(79,660)	(7,340,336)
Carrying amounts	<u>5,287,268</u>	<u>607,126</u>	<u>2,060</u>	<u>1,504,099</u>	<u>14,105</u>	<u>7,414,658</u>

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	Buildings	General equipment	Motor vehicles	Construction in progress	Others	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
At January 1, 2025						
Cost	9,243,104	3,903,543	10,483	1,504,099	93,765	14,754,994
Accumulated depreciation	(3,955,836)	(3,296,417)	(8,423)	—	(79,660)	(7,340,336)
Carrying amounts	5,287,268	607,126	2,060	1,504,099	14,105	7,414,658
Year ended December 31, 2025						
Opening carrying amounts	5,287,268	607,126	2,060	1,504,099	14,105	7,414,658
Additions	16,691	41,240	6,236	1,377,060	7,571	1,448,798
Disposals	—	(875)	—	—	—	(875)
Transfers from construction in progress	1,863,235	830,470	—	(2,693,705)	—	—
Depreciation charges	(428,798)	(124,045)	(635)	—	(1,971)	(555,449)
Closing carrying amounts	6,738,396	1,353,916	7,661	187,454	19,705	8,307,132
At December 31, 2025						
Cost	11,123,030	4,756,334	16,743	187,454	101,336	16,184,897
Accumulated depreciation	(4,384,634)	(3,402,418)	(9,082)	—	(81,631)	(7,877,765)
Carrying amounts	6,738,396	1,353,916	7,661	187,454	19,705	8,307,132

- (a) Property, plant, and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives follows:

Buildings	10–40 years
General equipment	5–10 years
Motor vehicles	6 years
Others	5 years

See Note 48 for the other accounting policies relevant to property, plant and equipment.

- (b) Depreciation of the Group’s property, plant and equipment has been recognized as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Cost of revenue	425,200	388,060	474,992
Selling and marketing expenses	365	721	—
General and administrative expenses	41,867	94,151	80,252
Research and development expenses	165	218	205
	467,597	483,150	555,449

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The Company

	Buildings	General equipment	Motor vehicles	Construction in progress	Others	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
At January 1, 2023						
Cost	7,210,727	3,525,105	8,654	734,489	59,027	11,538,002
Accumulated depreciation	(3,273,190)	(3,075,859)	(6,905)	—	(49,038)	(6,404,992)
Carrying amounts	3,937,537	449,246	1,749	734,489	9,989	5,133,010
Year ended December 31, 2023						
Opening carrying amounts	3,937,537	449,246	1,749	734,489	9,989	5,133,010
Additions	—	13,524	—	1,485,823	9,812	1,509,159
Transfers from construction in progress	188,770	42,349	—	(245,302)	14,183	—
Adjustment for final settlement account	(5,207)	(8)	—	—	—	(5,215)
Transfers to investment properties	(37,428)	—	—	—	—	(37,428)
Disposals	(57,856)	(3,987)	(21)	—	—	(61,864)
Depreciation charges	(202,157)	(64,208)	(514)	—	(12,726)	(279,605)
Closing carrying amounts	3,823,659	436,916	1,214	1,975,010	21,258	6,258,057
At December 31, 2023						
Cost	7,344,446	3,559,231	8,135	1,975,010	83,022	12,969,844
Accumulated depreciation	(3,520,787)	(3,122,315)	(6,921)	—	(61,764)	(6,711,787)
Carrying amounts	3,823,659	436,916	1,214	1,975,010	21,258	6,258,057

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	Buildings	General equipment	Motor vehicles	Construction in progress	Others	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
At January 1, 2024						
Cost	7,344,446	3,559,231	8,135	1,975,010	83,022	12,969,844
Accumulated depreciation	(3,520,787)	(3,122,315)	(6,921)	—	(61,764)	(6,711,787)
Carrying amounts	3,823,659	436,916	1,214	1,975,010	21,258	6,258,057
Year ended December 31, 2024						
Opening carrying amounts	3,823,659	436,916	1,214	1,975,010	21,258	6,258,057
Additions	144,586	3,396	658	1,036,006	171	1,184,817
Transfers from investment properties	5,592	—	—	—	—	5,592
Transfers from construction in progress	1,329,838	180,073	—	(1,509,911)	—	—
Disposals	—	(218)	—	—	—	(218)
Depreciation charges	(353,275)	(59,511)	(450)	—	(6,979)	(420,215)
Closing carrying amounts	4,950,400	560,656	1,422	1,501,105	14,450	7,028,033
At December 31, 2024						
Cost	8,820,531	3,737,038	8,793	1,501,105	83,193	14,150,660
Accumulated depreciation	(3,870,131)	(3,176,382)	(7,371)	—	(68,743)	(7,122,627)
Carrying amounts	4,950,400	560,656	1,422	1,501,105	14,450	7,028,033

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	Buildings	General equipment	Motor vehicles	Construction in progress	Others	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
At January 1, 2025						
Cost	8,820,531	3,737,038	8,793	1,501,105	83,193	14,150,660
Accumulated depreciation	(3,870,131)	(3,176,382)	(7,371)	—	(68,743)	(7,122,627)
Carrying amounts	4,950,400	560,656	1,422	1,501,105	14,450	7,028,033
Year ended December 31, 2025						
Opening carrying amounts	4,950,400	560,656	1,422	1,501,105	14,450	7,028,033
Additions	1,401	19,813	6,071	1,290,656	1,473	1,319,414
Transfers from construction in progress	1,863,235	830,470	—	(2,693,705)	—	—
Disposals	—	(851)	—	—	—	(851)
Transfers from investment properties	23,836	—	—	—	—	23,836
Depreciation charges	(422,978)	(107,742)	(438)	—	(171)	(531,329)
Closing carrying amounts	6,415,894	1,302,346	7,055	98,056	15,752	7,839,103
At December 31, 2025						
Cost	10,709,003	4,567,313	14,863	98,056	84,666	15,473,901
Accumulated depreciation	(4,293,109)	(3,264,967)	(7,808)	—	(68,914)	(7,634,798)
Carrying amounts	6,415,894	1,302,346	7,055	98,056	15,752	7,839,103

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18. LEASE

This note provides information for leases where the Group is a lessee.

(a) Amounts Recognized in the Consolidated Statements of Financial Position

The Group

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Right-of-use assets			
Land use right	6,069,864	4,992,700	4,530,512
Lease hold land	108,669	102,352	96,302
Buildings	72,205	48,574	37,547
	6,250,738	5,143,626	4,664,361
Lease liabilities			
Current	23,637	21,432	24,513
Non-current	176,832	149,984	129,609
	200,469	171,416	154,122

The movements of right-of-use assets for the Track Record Period are as follows:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
At the beginning of the year	6,502,365	6,250,738	5,143,626
Additions	316	103,098	297,639
Disposal	(14,645)	(2,377)	(1,738)
Transfer from investment properties	—	—	242,817
Depreciation charge	(237,298)	(225,822)	(210,595)
Lease modification	—	(5,961)	—
Transfer to investment properties	—	(884,943)	—
Transfer to completed properties held for sale (i)	—	—	(813,278)
Disposal of subsidiaries (<i>Note 44</i>)	—	(95,056)	—
Foreign exchange differences	—	3,949	5,890
At the end of the year	6,250,738	5,143,626	4,664,361

- (i) In 2025, the intended use of the certain land was changed by management from own-use to sale. Consequently, the land was reclassified from right-of-use assets to inventories.

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The Company

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Right-of-use assets			
Land use right	5,600,394	4,662,730	4,088,169
Lease hold land	102,618	96,302	90,252
Buildings	420	180	—
	5,703,432	4,759,212	4,178,421
Lease liabilities			
Current	3,099	3,055	3,317
Non-current	107,858	104,996	101,463
	110,957	108,051	104,780

The movements of right-of-use assets for the Track Record Period are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
At the beginning of the year	5,975,799	5,703,432	4,759,212
Disposal	(14,646)	(748,325)	(639,950)
Transfer from investment property	—	—	242,817
Depreciation charge	(197,358)	(195,895)	(183,658)
Transfer to investment property	(60,363)	—	—
At the end of the year	5,703,432	4,759,212	4,178,421

- (b) The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee’s incremental borrowing rate is used. The discount rate used during the years ended December 31, 2023, 2024 and 2025 were ranged from 2.78% to 7.48%, 2.78% to 7.48%, 2.81% to 7.48%, respectively.

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(c) Amounts Recognized in the Consolidated Statements of Profit or Loss

The consolidated statements of profit or loss and the consolidated statements of cash flows contain the following amounts relating to leases:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Depreciation charge of right-of-use assets:			
— Land use right	200,153	198,963	184,847
— Lease hold land	6,582	6,316	6,050
— Buildings	30,563	20,543	19,698
	237,298	225,822	210,595
	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Interest expense (including in finance costs)	5,165	11,755	9,849
Expense relating to short-term and low value leases not included in lease liabilities	23,151	24,388	19,430

The total cash outflows for lease payments during the years ended December 31, 2023, 2024 and 2025 were approximately RMB61,220,000, RMB65,918,000 and RMB53,106,000, respectively.

The Group leases properties, offices and land-use-right as lessee. Lease contracts for properties and offices are typically made for fixed periods from 3 to 10 years. Lease contracts for land-use rights are made for 20–50 years. They are stated at cost less accumulated depreciation and accumulated impairment losses.

See Note 48 for the other accounting policies relevant to lease.

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19. INTANGIBLE ASSETS

The Group

	Software	Goodwill	Capitalized development costs	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2023				
Cost	194,975	284,916	4,661	484,552
Accumulated amortization	(17,788)	—	—	(17,788)
Carrying amounts	177,187	284,916	4,661	466,764
Year ended December 31, 2023				
Opening carrying amounts	177,187	284,916	4,661	466,764
Additions	17,917	—	26,909	44,826
Transfer	12,922	—	(12,922)	—
Disposals	(61)	—	—	(61)
Disposal of subsidiaries	(9,849)	—	—	(9,849)
Amortization charges	(29,595)	—	—	(29,595)
Closing carrying amounts	168,521	284,916	18,648	472,085
At December 31, 2023				
Cost	213,193	284,916	18,648	516,757
Accumulated amortization	(44,672)	—	—	(44,672)
Carrying amounts	168,521	284,916	18,648	472,085
	Software	Goodwill	Capitalized development costs	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2024				
Cost	213,193	284,916	18,648	516,757
Accumulated amortization	(44,672)	—	—	(44,672)
Carrying amounts	168,521	284,916	18,648	472,085
Year ended December 31, 2024				
Opening carrying amounts	168,521	284,916	18,648	472,085
Additions	5,944	—	28,968	34,912
Transfer	40,107	—	(40,107)	—
Disposals	—	—	—	—
Disposal of subsidiaries (<i>Note 44</i>)	(19)	—	—	(19)
Amortization charges	(25,972)	—	—	(25,972)
Closing carrying amounts	188,581	284,916	7,509	481,006
At December 31, 2024				
Cost	259,164	284,916	7,509	551,589
Accumulated amortization	(70,583)	—	—	(70,583)
Carrying amounts	188,581	284,916	7,509	481,006

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	Software	Goodwill	Capitalized development costs	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2025				
Cost	259,164	284,916	7,509	551,589
Accumulated amortization	(70,583)	—	—	(70,583)
Carrying amounts	188,581	284,916	7,509	481,006
Year ended December 31, 2025				
Opening carrying amounts	188,581	284,916	7,509	481,006
Additions	1,372	—	26,900	28,272
Transfer	29,616	—	(29,616)	—
Amortization charges	(27,114)	—	—	(27,114)
Closing carrying amounts	192,455	284,916	4,793	482,164
At December 31, 2025				
Cost	290,152	284,916	4,793	579,861
Accumulated amortization	(97,697)	—	—	(97,697)
Carrying amounts	192,455	284,916	4,793	482,164

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The Company

	Software
	RMB’000
At January 1, 2023	
Cost	9,135
Accumulated amortization	<u>(2,620)</u>
Carrying amounts	<u>6,515</u>
Year ended December 31, 2023	
Opening carrying amounts	6,515
Additions	4,655
Disposals	—
Amortization charges	<u>(1,027)</u>
Closing carrying amounts	<u>10,143</u>
At December 31, 2023	
Cost	13,790
Accumulated amortization	<u>(3,647)</u>
Carrying amounts	<u>10,143</u>
	Software
	RMB’000
At January 1, 2024	
Cost	13,790
Accumulated amortization	<u>(3,647)</u>
Carrying amounts	<u>10,143</u>
Year ended December 31, 2024	
Opening carrying amounts	10,143
Additions	109
Amortization charges	<u>(1,293)</u>
Closing carrying amounts	<u>8,959</u>
At December 31, 2024	
Cost	13,899
Accumulated amortization	<u>(4,940)</u>
Carrying amounts	<u>8,959</u>

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	Software RMB’000
At January 1, 2025	
Cost	13,899
Accumulated amortization	(4,940)
Carrying amounts	8,959
Year ended December 31, 2025	
Opening carrying amounts	8,959
Additions	60
Disposals	—
Amortization charges	(1,292)
Closing carrying amounts	7,727
At December 31, 2025	
Cost	13,959
Accumulated amortization	(6,232)
Carrying amounts	7,727

(a) Amortization expenses have been charged to the consolidated statements of profit or loss as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
General and administrative expenses	29,595	25,972	27,114

(b) Impairment Tests for Goodwill

Goodwill is not subject to amortization and is tested for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets.

The carrying amounts of goodwill allocated to the cash generating units or group of cash generating units (“CGU” or “CGUs”) are as follows:

	Opening RMB’000	Addition RMB’000	Impairment RMB’000	Closing RMB’000
Year ended December 31, 2023				
Zhejiang Xunchi	284,916	—	—	284,916
Year ended December 31, 2024				
Zhejiang Xunchi	284,916	—	—	284,916
Year ended December 31, 2025				
Zhejiang Xunchi	284,916	—	—	284,916

(i) The goodwill is generated from business combination of Zhejiang Xunchi Digital Technology Co., Ltd. (“Zhejiang Xunchi”) on August 3, 2022. Management regards Zhejiang Xunchi as a separate CGU and reviews the business performance and performs impairment assessment on the goodwill on the individual CGU basis.

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The following table sets out the key assumptions for these CGUs that have goodwill allocated to them:

	Year ended December 31,		
	2023	2024	2025
Revenue annual growth rates	3.60%–29.98%	0.18%–8.13%	(20.38)%–6.25%
Operating profit margin	13.91%–36.96%	35.35%–42.06%	35.45%–51.64%
Perpetual annual growth rates	0.00%	0.00%	0.00%
Pre-tax discount rates	14.41%	15.01%	14.62%

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determine values
Revenue annual growth rates	Revenue annual growth rate is estimated over the five-year forecast period. The management of the Group used a five-year period as the projection period for the cash flow forecast, which was in line with the period length used in the corresponding strategic planning and long-term budgeting purpose.
Operating profit margin	Based on past performance and management’s expectations for the future.
Perpetual annual growth rates	This is the weighted average growth rate used to estimate cash flows beyond the forecast period. The rates are determined after making reference to long term inflation rate of the countries in which they operate. The perpetual annual growth rates remained stable which was due to the fact that the long-term inflation rates of the relevant countries were relatively stable during the Track Record Period.
Pre-tax discount rates	Estimated by using the weighted average cost of capital (“WACC”) method. The WACC was calculated by referring to public market data including risk free rate, market return, beta of comparable public companies etc. and the specific risk of the business.

(c) **Impact of possible changes in key assumptions**

The recoverable amount based on the value-in-use or FVLCD calculation for the CGU are as follow:

The Group

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Zhejiang Xunchi	377,000	363,000	355,000

The amounts by which each unit’s recoverable amount exceeds its carrying amount (“headroom”) are as follows:

The Group

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Zhejiang Xunchi	20,116	17,016	21,840

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Sensitivity analysis has been performed based on the assumptions that revenue annual growth rates, operating profit margin and pre-tax discount rates has been changed. Had the estimated key assumptions during the forecast period been changed as shown below, while other parameters remain constant, the headroom of the CGUs would be as follows:

For Zhejiang Xunchi CGU

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Average revenue annual growth rate decreased by 0.3%	8,180	4,892	9,459
Operating profit margin decreased by 0.5%	14,382	11,742	16,391
Pre-tax discount rate increased by 0.5%	6,707	4,926	9,807

Based on the results of impairment test as at December 31, 2023, 2024 and 2025, the recoverable amount of the CGU is significantly above the carrying amount of the Group. Management of the Group believes that any reasonably possible change in any of the key assumptions would not result in impairment.

The following table sets out the reasonably possible change in key parameters which would cause the carrying amount of the CGU to exceed its recoverable amount:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Average revenue annual growth rate	(0.52%)	(0.43%)	(0.54%)
Operating profit margin	(1.84%)	(1.6%)	(2.04%)
Pre-tax discount rate	0.78%	0.72%	0.94%

(d) Amortization Methods and Periods

(i) Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire the specific software.

The Group amortizes intangible assets with a limited useful life using the straight-line method over the following periods:

Software	2–10 years
Data assets	10 years

(e) Research and Development

Research expenditure is recognized as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new and improved products) are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the product so that it will be available for use;
- Management intends to complete the product and use or sell it;
- There is an ability to use or sell the product;
- It can be demonstrated how the product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the product are available; and
- The expenditure attributable to the product during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

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20. INVESTMENT PROPERTIES

The Group

	Completed investment properties RMB'000	Land use right RMB'000	Properties under construction RMB'000	Total RMB'000
At January 1, 2023				
Cost	3,066,727	441,780	2,004,528	5,513,035
Accumulated depreciation	(564,165)	(92,698)	—	(656,863)
Carrying amounts	2,502,562	349,082	2,004,528	4,856,172
Year ended December 31, 2023				
Opening carrying amounts	2,502,562	349,082	2,004,528	4,856,172
Additions	—	—	1,299,879	1,299,879
Transfers from construction in progress	1,446,215	—	(1,446,215)	—
Depreciation charges	(142,217)	(11,432)	—	(153,649)
Closing carrying amounts	3,806,560	337,650	1,858,192	6,002,402
At December 31, 2023				
Cost	4,512,942	441,780	1,858,192	6,812,914
Accumulated depreciation	(706,382)	(104,130)	—	(810,512)
Carrying amounts	3,806,560	337,650	1,858,192	6,002,402
At January 1, 2024				
Cost	4,512,942	441,780	1,858,192	6,812,914
Accumulated depreciation	(706,382)	(104,130)	—	(810,512)
Carrying amounts	3,806,560	337,650	1,858,192	6,002,402
Year ended December 31, 2024				
Opening carrying amounts	3,806,560	337,650	1,858,192	6,002,402
Additions	62,627	19,035	296,784	378,446
Transfers from construction in progress	1,358,412	—	(1,358,412)	—
Transfers from lease	—	884,943	—	884,943
Disposals	(153,279)	—	—	(153,279)
Transfers to property, plant and equipment	(5,592)	—	—	(5,592)
Currency translation differences	2,681	—	—	2,681
Depreciation charges	(181,500)	(16,304)	—	(197,804)
Closing carrying amounts	4,889,909	1,225,324	796,564	6,911,797
At December 31, 2024				
Cost	5,754,393	1,425,746	796,564	7,976,703
Accumulated depreciation	(864,484)	(200,422)	—	(1,064,906)
Carrying amounts	4,889,909	1,225,324	796,564	6,911,797
At January 1, 2025				
Cost	5,754,393	1,425,746	796,564	7,976,703
Accumulated depreciation	(864,484)	(200,422)	—	(1,064,906)
Carrying amounts	4,889,909	1,225,324	796,564	6,911,797

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	Completed investment properties RMB’000	Land use right RMB’000	Properties under construction RMB’000	Total RMB’000
Year ended December 31, 2025				
Opening carrying amounts	4,889,909	1,225,324	796,564	6,911,797
Additions	178,049	—	394,262	572,311
Transfers from construction in progress	958,557	232,269	(1,190,826)	—
Disposals	(563,876)	(94,288)	—	(658,164)
Transfers to lease	—	(242,817)	—	(242,817)
Currency translation differences	4,534	2,687	—	7,221
Depreciation charges	(210,204)	(24,336)	—	(234,540)
Closing carrying amounts	5,256,969	1,098,839	—	6,355,808
At December 31, 2025				
Cost	6,305,725	1,316,318	—	7,622,043
Accumulated depreciation	(1,048,756)	(217,479)	—	(1,266,235)
Carrying amounts	5,256,969	1,098,839	—	6,355,808
The Company				
	Completed investment properties RMB’000	Land use right RMB’000	Properties under construction RMB’000	Total RMB’000
At January 1, 2023				
Cost	3,078,137	260,041	1,584,505	4,922,683
Accumulated depreciation	(473,938)	(61,233)	—	(535,171)
Carrying amounts	2,604,199	198,808	1,584,505	4,387,512
Year ended December 31, 2023				
Opening carrying amounts	2,604,199	198,808	1,584,505	4,387,512
Additions	—	—	345,233	345,233
Transfers from lease	60,363	—	—	60,363
Transfers from property, plant and equipment	37,428	—	—	37,428
Transfers from construction in progress	1,349,166	—	(1,349,166)	—
Depreciation charges	(127,300)	(6,854)	—	(134,154)
Closing carrying amounts	3,923,856	191,954	580,572	4,696,382
At December 31, 2023				
Cost	4,525,094	260,041	580,572	5,365,707
Accumulated depreciation	(601,238)	(68,087)	—	(669,325)
Carrying amounts	3,923,856	191,954	580,572	4,696,382
At January 1, 2024				
Cost	4,525,094	260,041	580,572	5,365,707
Accumulated depreciation	(601,238)	(68,087)	—	(669,325)
Carrying amounts	3,923,856	191,954	580,572	4,696,382

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	Completed investment properties RMB’000	Land use right RMB’000	Properties under construction RMB’000	Total RMB’000
Year ended December 31, 2024				
Opening carrying amounts	3,923,856	191,954	580,572	4,696,382
Additions	2,681	—	17,720	20,401
Transfers from lease	—	752,071	—	752,071
Transfers from construction in progress	598,292	—	(598,292)	—
Disposals	(153,279)	—	—	(153,279)
Transfers to property, plant and equipment	(5,592)	—	—	(5,592)
Depreciation charges	(158,667)	(11,270)	—	(169,937)
Closing carrying amounts	4,207,291	932,755	—	5,140,046
At December 31, 2024				
Cost	4,943,798	1,012,112	—	5,955,910
Accumulated depreciation	(736,507)	(79,357)	—	(815,864)
Carrying amounts	4,207,291	932,755	—	5,140,046
At January 1, 2025				
Cost	4,943,798	1,012,112	—	5,955,910
Accumulated depreciation	(736,507)	(79,357)	—	(815,864)
Carrying amounts	4,207,291	932,755	—	5,140,046
Year ended December 31, 2025				
Opening carrying amounts	4,207,291	932,755	—	5,140,046
Additions	330,287	61,399	—	391,686
Disposals	(142,999)	—	—	(142,999)
Transfers from property, plant and equipment	(23,836)	—	—	(23,836)
Transfers to lease	—	(242,817)	—	(242,817)
Depreciation charges	(163,806)	(16,620)	—	(180,426)
Closing carrying amounts	4,206,937	734,717	—	4,941,654
At December 31, 2025				
Cost	5,081,263	830,694	—	5,911,957
Accumulated depreciation	(874,326)	(95,977)	—	(970,303)
Carrying amounts	4,206,937	734,717	—	4,941,654

(a) Depreciation of the Group’s investment properties has been recognized as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Cost of revenue	153,649	197,804	234,540

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(b) Amounts Recognized in Profit or Loss for Investment Properties

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Rental income from operating leases	424,050	657,710	626,587
Direct operating expenses from property that generated rental income	153,649	197,804	234,540

The investment properties are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method to write off the cost to its residual value over its estimated useful life. The estimated useful lives are as follows:

Buildings	10 to 40 years
Land use right	40 to 50 years

(c) The Group’s investment properties consist of buildings and land use rights in Chinese mainland and Spain. The investment properties are leased under operating leases.

Fair values of the investment properties as at December 31, 2023, 2024 and 2025 are RMB8,488,253,000, RMB9,654,662,000 and RMB8,261,782,000 respectively, which are determined by valuations conducted by a qualified independent valuer. The fair value was determined mainly based on Income Capitalisation Method or Market Comparison Method, which the directors of the Group are of the view that it is the best estimate of the fair value of these investment properties is their current use.

See Note 48 for the other accounting policies relevant to investment properties.

21. FINANCIAL INSTRUMENTS BY CATEGORY

The detailed information of financial instruments by category during the Track Record Period is as below:

The Group

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Financial assets			
Financial assets measured at fair value:			
Equity instruments at FVOCI (Note 15)	556,897	671,036	661,002
Equity instruments at FVPL (Note 15)	15,131	—	308,282
Other financial assets at FVPL (Note 15)	1,421,570	1,481,882	1,595,640
Wealth management products (Note 15)	—	400,317	1,785,358
	1,993,598	2,553,235	4,350,282
Financial assets measured at amortized cost:			
Trade and notes receivables (Note 24)	592,858	497,320	437,843
Entrusted loans (Note 22)	48,073	—	48,073
Restricted cash and term deposits (Note 30)	12,556	10,823	2,847,946
Cash and cash equivalents (Note 30)	2,910,179	5,528,369	4,284,850
Other receivables (Note 25)	394,859	410,860	453,490
	3,958,525	6,447,372	8,072,202

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	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Financial liabilities measured at amortized cost:			
Trade payables (<i>Note 32</i>)	1,390,255	1,469,718	1,995,927
Accruals and other payables (excluding non-financial liabilities) (<i>Note 33</i>)	2,227,615	2,090,716	1,974,373
Lease liabilities (<i>Note 18</i>)	200,469	171,416	154,122
Borrowings (<i>Note 31</i>)	9,162,164	7,470,452	3,351,744
	12,980,503	11,202,302	7,476,166

The Company

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Financial assets			
Financial assets measured at fair value			
Equity instruments at FVOCI (<i>Note 15</i>)	556,897	671,036	661,002
Other financial assets at FVPL (<i>Note 15</i>)	121,590	141,924	226,071
Wealth management products (<i>Note 15</i>)	—	400,317	1,785,358
	678,487	1,213,277	2,672,431

Financial assets measured at amortized cost:			
Trade and notes receivables (<i>Note 24</i>)	33,941	6,235	7,114
Restricted cash (<i>Note 30</i>)	7,220	4,410	2,579,829
Cash and cash equivalents (<i>Note 30</i>)	2,258,309	4,990,599	3,737,266
Other receivables (<i>Note 25</i>)	3,811,083	2,047,886	2,613,188
	6,110,553	7,049,130	8,937,397

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Financial liabilities			
Financial liabilities measured at amortized cost:			
Trade payables (<i>Note 32</i>)	990,281	1,075,128	1,752,807
Accruals and other payables (excluding non-financial liabilities) (<i>Note 33</i>)	2,176,385	3,203,157	2,881,181
Lease liabilities (<i>Note 18</i>)	110,957	108,051	104,780
Borrowings (<i>Note 31</i>)	8,795,190	7,287,665	3,302,750
	12,072,813	11,674,001	8,041,518

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22. ENTRUSTED LOANS

The Group

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Entrusted loans to non-controlling interest (i)	<u>48,073</u>	<u>—</u>	<u>48,073</u>

The following table sets out our entrusted loans by type of security as at the dates indicated:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Secured loans	48,000	—	48,000
Accrued interest	<u>73</u>	<u>—</u>	<u>73</u>
	<u>48,073</u>	<u>—</u>	<u>48,073</u>

- (i) Approved by the 5th Meeting of the 9th Board of Directors of the Group held on December 15, 2022, Yiwugou an indirectly controlled subsidiary of the Group, provided an entrusted loan of RMB48,000,000 to Yixia Chengdu International Trade City Co., Ltd., a minority shareholder of Yiwugou, through the Yiwu Branch of the Agricultural Bank of China in the form of monetary funds. The loan term is 2 years, with an annual interest rate of 5.5%.

Approved by the 25th Meeting of the 9th Board of Directors of the Group held on January 7, 2025, Yiwugou, an indirectly controlled subsidiary of the Group, provided an entrusted loan of RMB48,000,000 to Yixia Chengdu International Trade City Co., Ltd., a minority shareholder of Yiwugou, through the Yiwu Branch of the Agricultural Bank of China in the form of monetary funds. The loan term runs from the date of actual disbursement of the loan to December 25, 2026, with an annual interest rate of 5.5%.

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23. DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right of offsetting and when the deferred income taxes relate to the same authority. The net amounts of deferred tax assets and liabilities after offsetting are as follows:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Gross deferred tax assets	141,485	129,547	129,560
Offsetting against deferred tax liabilities	(26,128)	(67,427)	(63,875)
Net deferred tax assets	115,357	62,120	65,685
Gross deferred tax liabilities	110,173	135,894	193,117
Offsetting against deferred tax assets	(26,128)	(67,427)	(63,875)
Net deferred tax liabilities	84,045	68,467	129,242

The movements in deferred tax assets and liabilities before offsetting are as follows:

(a) Deferred Tax Assets

	Accrued expenses and other payables	Lease liability	Government grants related to assets	Fair value adjustments	Share-based payment expenses	Others	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
At January 1, 2023	75,252	31,954	19,970	45,188	—	8,378	180,742
(Charged)/credited to profit or loss (Note 11)	(30,547)	(941)	—	(1,508)	—	7,345	(25,651)
Charged to other comprehensive income	—	—	—	(13,606)	—	—	(13,606)
At December 31, 2023	44,705	31,013	19,970	30,074	—	15,723	141,485
At January 1, 2024	44,705	31,013	19,970	30,074	—	15,723	141,485
(Charged)/credited to profit or loss (Note 11)	(13,088)	(3,825)	(2,052)	542	—	(11,377)	(29,800)
Directly to equity	—	—	—	—	17,862	—	17,862
At December 31, 2024	31,617	27,188	17,918	30,616	17,862	4,346	129,547
At January 1, 2025	31,617	27,188	17,918	30,616	17,862	4,346	129,547
Credited/(charged) to profit or loss (Note 11)	18,720	(993)	(666)	639	—	175	17,875
Directly to equity	—	—	—	—	(17,862)	—	(17,862)
At December 31, 2025	50,337	26,195	17,252	31,255	—	4,521	129,560

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(b) Deferred Tax Liabilities

	Valuation increase resulting from business combinations	Fair value adjustments	Right-of-use assets	Total
	RMB’000	RMB’000	RMB’000	RMB’000
At January 1, 2023	6,893	88,149	30,394	125,436
Credited to profit or loss (<i>Note 11</i>)	(1,263)	(10,554)	(4,266)	(16,083)
Charged to other comprehensive income	—	820	—	820
At December 31, 2023	5,630	78,415	26,128	110,173
At January 1, 2024	5,630	78,415	26,128	110,173
(Credited)/charged to profit or loss (<i>Note 11</i>)	(2,438)	4,305	(4,681)	(2,814)
Charged to other comprehensive income	—	28,535	—	28,535
At December 31, 2024	3,192	111,255	21,447	135,894
At January 1, 2025	3,192	111,255	21,447	135,894
(Credited)/charged to profit or loss (<i>Note 11</i>)	(1,092)	62,558	(1,734)	59,732
Credited to other comprehensive income	—	(2,509)	—	(2,509)
At December 31, 2025	2,100	171,304	19,713	193,117

(c) Deferred Tax Assets Not Recognized

The Group has not recognized deferred tax assets in respect of the items below, which were not likely to generate taxable profit:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Temporary differences	462,361	27,051	40,317
Tax losses	933,593	221,927	170,407
	1,395,954	248,978	210,724

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The tax losses not recognized deferred tax assets can be carried forward in future years. As at December 31, 2023, 2024 and 2025, the following table shows unused tax losses based on its expected expiry date:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
2024	160,811	—	—
2025	205,662	28,895	—
2026	227,475	63,639	28,983
2027	165,826	47,289	41,724
2028	173,819	4,185	4,185
2029	—	77,919	69,410
2030	—	—	26,105
	933,593	221,927	170,407

- (i) As disclosed in Note 44, the Group’s strategic divestment of its stake in Yiwu Xingchen Enterprise Management Co., Ltd. (together with its subsidiary, Haicheng Yiwu China Commodities City Investment and Development Co., Ltd.) in 2024 triggered a loss of control, leading to its reclassification as related parties. Consequently, this resulted in a decrease in the amount of the tax losses not recognized deferred tax assets.

24. TRADE AND NOTES RECEIVABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Trade receivables (i)	599,304	506,233	468,614
Notes receivables	—	11,170	—
Less: credit loss allowance	(6,446)	(20,083)	(30,771)
	592,858	497,320	437,843

- (i) As at December 31, 2023, 2024 and 2025, trade receivables included receivables from factoring amounting to RMB30,298,000, RMB128,572,000 and RMB207,444,000.
- (a) As at January 1, 2023, the gross carrying amounts of trade and notes receivables from contracts with customers are amounting to RMB210,751,000 (net of expected credit loss amounting to RMB8,498,000).

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- (b) The Group grants credit terms to some customers ranging from 30 to 365 days from the date of billing or delivery of goods. The aging analysis of trade receivables based on revenue recognition date is as follows:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Within 1 year	587,700	410,915	424,032
1 to 2 years	10,408	85,737	16,754
2 to 3 years	1,196	8,465	20,087
Over 3 years	—	1,116	7,741
	599,304	506,233	468,614

The Company

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Trade receivables	34,040	7,385	8,669
Less: credit loss allowance	(99)	(1,150)	(1,555)
	33,941	6,235	7,114

The aging analysis of trade receivables based on revenue recognition date is as follows:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Within 1 year	32,222	5,603	7,139
1 to 2 years	622	64	—
2 to 3 years	1,196	602	56
Over 3 years	—	1,116	1,474
	34,040	7,385	8,669

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25. PREPAYMENTS AND OTHER RECEIVABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Non-current			
Other receivables:			
Deposits	7,271	7,368	8,554
Due from joint ventures	270,756	285,840	255,266
	278,027	293,208	263,820
Current			
Prepayments:			
Prepayments for commodities in inventory	975,767	1,015,669	1,537,011
Prepayments for properties under development	—	66,634	—
Prepayments for operating expenses	10,295	15,792	—
	986,062	1,098,095	1,537,011
Other receivables:			
Withheld and paid expenses and deposits	107,985	106,113	160,805
Export tax refund	9,508	12,325	30,243
Others	3,581	2,674	2,104
	121,074	121,112	193,152
Less: provision for impairment	(4,242)	(3,460)	(3,482)
	116,832	117,652	189,670
	1,102,894	1,215,747	1,726,681

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The Company

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Non-current			
Other receivables:			
Deposits	—	14	4
Due from joint ventures	31,864	17,150	—
	31,864	17,164	4
Current			
Prepayments:			
Prepayments for commodities in inventory	7,500	2,936	7,709
Prepayments for properties under development	—	66,634	—
Prepayments for operating expenses	5,122	12,593	—
	12,622	82,163	7,709
Other receivables:			
Withheld and paid expenses and deposits	13,444	32,731	66,481
Due from subsidiaries	3,764,776	1,996,213	2,544,828
Others	1,940	2,012	2,104
	3,780,160	2,030,956	2,613,413
Less: provision for impairment	(941)	(234)	(229)
	3,779,219	2,030,722	2,613,184
	3,791,841	2,112,885	2,620,893

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26. WEALTH MANAGEMENT PRODUCTS

The Group and the Company

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Wealth management products (i)	—	400,317	1,283,122
Structured deposits	—	—	502,236
	—	400,317	1,785,358

(i) Wealth management products are mainly comprised of monetary fund products.

27. OTHER CURRENT ASSETS

The Group

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Deductible input VAT	326,796	190,908	236,033
Customer reserves (i)	313,869	377,165	928,685
Prepaid corporate income tax	17,253	23,940	12,239
Input VAT to be verified	5,663	108,403	71,496
Other prepaid tax	—	23,198	103,065
	663,581	723,614	1,351,518

(i) Customer Reserves refer to funds received by the Group from customers for the purpose of executing entrusted payment transactions, pending final settlement or transfer. In accordance with the “Regulations on the Supervision and Administration of Non-bank Payment Institutions (《非銀行支付機構監督管理條例》)” and the “Measures for the Administration of Customer Reserves of Non-bank Payment Institutions (《非銀行支付機構客戶備付金存管辦法》)”, the Group is required to deposit all such funds in a centralized customer reserve account.

Upon receipt of Customer Reserves, the Group records a debit entry to “Other Current Assets — Customer Reserves” and a credit entry to “Other Payables — Customer Reserves.” After deducting accrued service fees, the Group settles the remaining balance with customers in accordance with the agreed terms.

The Company

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Deductible input VAT	200,346	72,403	44,830
Input VAT to be verified	3,673	49,219	58,203
Other prepaid tax	—	11,241	60,532
	204,019	132,863	163,565

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28. OTHER NON-CURRENT ASSETS

The Group

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Prepayment for purchase of non-current assets	138,252	28,034	397,170

The Company

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Prepayment for purchase of non-current assets	—	25,926	397,170

29. INVENTORIES

The Group

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Commodities in inventory	162,423	542,330	1,060,565
Properties under development	67,478	814,545	803,960
Completed properties held for sale (i)	1,041,444	—	520,741
Others	4,202	912	64
	1,275,547	1,357,787	2,385,330
Less: provision for impairment	(28,303)	—	—
	1,247,244	1,357,787	2,385,330

- (i) As at December 31, 2023, the completed properties held for sale predominantly consisted of the commercial streets of Haicheng Yiwu, which were subsequently transferred in 2024 upon the disposal of that subsidiary. As at December 31, 2025, the completed properties held for sale were those of the Global Digital Trade Center, mainly including its commercial streets and office building.
- (ii) As at December 31, 2023, inventories with a carrying amount of approximately RMB8,926,000 were subject to a court-ordered freeze, and were subsequently transferred out in 2024 following the disposal of a subsidiary.
- (iii) The cost of inventories carried forward to the profit or loss during the year is mainly recognized as the cost of revenue. The analysis of the amount of inventories recognized as cost of sales and included in profit or loss is as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Carrying amount of commodities in inventory sold	6,757,562	9,189,222	9,912,299
Carrying amount of completed properties held for sale sold	36,704	3,692	1,746,194
	6,794,266	9,192,914	11,658,493

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The movements in properties under development are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
At the beginning of the year	67,908	67,478	814,545
Additions	—	814,545	1,771,109
Transfer to completed properties held for sale	(90)	—	(1,781,694)
Disposal	(340)	—	—
Disposal of subsidiaries (<i>Note 44</i>)	—	(67,478)	—
At the end of the year	67,478	814,545	803,960

The movements in completed properties held for sale are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
At the beginning of the year	1,075,275	1,041,444	—
Transferred from properties under development	90	—	1,781,694
Transfer to cost of sales	(33,921)	(3,587)	(1,260,953)
Disposal of subsidiaries (<i>Note 44</i>)	—	(1,037,857)	—
At the end of the year	1,041,444	—	520,741

- (iv) The Group recognized capitalized borrowing costs on inventories in the amounts of approximately nil, RMB19,263,000, and RMB59,268,000 for the years ended December 31, 2023, 2024 and 2025, respectively, based on the applicable borrowing rates and the point at which the capitalization criteria were met.

The Company

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Commodities in inventory	1,441	3,803	4,543
Properties under development	—	814,545	509,442
Completed properties held for sale	—	—	520,741
Others	3,790	850	46
	5,231	819,198	1,034,772

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ACCOUNTANTS’ REPORT

30. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

(a) Cash and Cash Equivalents

The Group

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Cash and bank balances	2,922,735	5,539,192	7,132,796
Less: restricted cash	(12,556)	(10,823)	(25,578)
Less: current term deposits	—	—	(2,505,561)
Less: non-current term deposits	—	—	(316,807)
	<u>2,910,179</u>	<u>5,528,369</u>	<u>4,284,850</u>

The Company

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Cash and bank balances	2,265,529	4,995,009	6,317,095
Less: restricted cash	(7,220)	(4,410)	(13)
Less: current term deposits	—	—	(2,374,872)
Less: non-current term deposits	—	—	(204,944)
	<u>2,258,309</u>	<u>4,990,599</u>	<u>3,737,266</u>

(b) Restricted Cash

The Group

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Frozen cash	—	4,410	13
Deposit for payment services	3,889	6,413	11,223
Deposit for foreign exchange services	—	—	2,363
Restricted cash on platform	—	—	11,979
Guarantee for projects	7,220	—	—
Earmarked funds for construction projects	1,447	—	—
	<u>12,556</u>	<u>10,823</u>	<u>25,578</u>

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The Company

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Frozen cash	—	4,410	13
Guarantee for projects	7,220	—	—
	7,220	4,410	13

(c) **Cash and Bank Balances are Denominated in:**

The Group

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
RMB	2,822,760	5,445,056	7,039,459
USD	98,661	84,568	84,468
EUR	393	9,162	8,519
Others	921	406	350
	2,922,735	5,539,192	7,132,796

The Company

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
RMB	2,265,529	4,995,009	6,317,095

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ACCOUNTANTS’ REPORT

31. BORROWINGS

The Group

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Non-current			
Bank borrowings			
— Unsecured	862,799	657,589	456,224
Bonds	3,498,452	—	2,799,045
	4,361,251	657,589	3,255,269
Current			
Bank borrowings			
— Unsecured	1,713,800	242,073	67,669
Bonds	61,508	3,561,298	28,806
Short-term commercial paper	3,025,605	3,009,492	—
	4,800,913	6,812,863	96,475

- (a) As at December 31, 2023, 2024 and 2025, the annual interest rates of short-term bank borrowings were ranged from 2.68% to 3.75%, 1.80% to 2.98%, 1.89% to 2.65%, respectively.

As at December 31, 2023, 2024 and 2025, the annual interest rates of long-term bank borrowings were ranged from 2.70% to 3.10%, 2.45% to 2.75%, 1.89% to 2.65%, respectively.

- (b) As at December 31, 2023, 2024 and 2025, the Group’s bank borrowings were repayable as follows:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Within 1 year	1,713,800	242,073	67,669
Between 1 and 2 years	43,260	67,620	67,620
Between 2 and 5 years	137,390	139,380	100,020
Over 5 years	682,149	450,589	288,584
	2,576,599	899,662	523,893

As at December 31, 2023, 2024 and 2025, the Group’s bonds and short-term commercial paper were repayable as follows:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Within 1 year	3,087,113	6,570,790	28,806
Between 1 and 2 years	3,498,452	—	—
Between 2 and 5 years	—	—	2,799,045
	6,585,565	6,570,790	2,827,851

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(c) Bonds and short-term commercial paper

As at December 31, 2023, the details of the Group’s bonds are as follows:

Name	Par value RMB'000	Interest rate	Issue date	Term	Issuance amount RMB'000	Balance at the beginning RMB'000	Issuance during the year RMB'000	Accrued interest RMB'000	Premium discount amortization RMB'000	Redemption and interest paid RMB'000	Within one year RMB'000	After one year RMB'000	Carrying amount RMB'000
22 Zhejiang Yiwu CCC MTN001	1,000,000	3.29%	2022/02/24	3years	1,000,000	999,178	—	27,942	365	—	27,942	999,543	1,027,485
22 Zhejiang Yiwu CCC MTN002	500,000	3.57%	2022/03/29	3years	500,000	499,572	—	13,546	182	—	13,546	499,754	513,300
22 Zhejiang Yiwu CCC MTN003	500,000	3.00%	2022/07/20	3years	500,000	499,516	—	6,740	183	—	6,740	499,699	506,439
22 YIWU CCC 01	800,000	2.88%	2022/09/01	3years	800,000	799,551	—	7,701	163	—	7,701	799,714	807,415
22 YIWU CCC 02	700,000	2.88%	2022/09/22	3years	700,000	699,599	—	5,579	143	—	5,579	699,742	705,321
22 Zhejiang Yiwu CCC SCP005	1,000,000	2.09%	2022/09/21	240days	1,000,000	1,005,457	—	7,902	383	1,013,742	—	—	—
22 Zhejiang Yiwu CCC SCP006	1,000,000	2.30%	2022/10/26	240days	1,000,000	1,003,734	—	10,901	481	1,015,116	—	—	—
22 Zhejiang Yiwu CCC SCP007	1,000,000	3.00%	2022/11/22	120days	1,000,000	1,003,065	—	6,575	223	1,009,863	—	—	—
23 Zhejiang Yiwu CCC SCP001	1,000,000	2.85%	2023/3/20	179days	1,000,000	—	999,503	13,977	497	1,013,977	—	—	—
23 Zhejiang Yiwu CCC SCP002	1,000,000	2.57%	2023/5/17	77days	1,000,000	—	999,515	12,463	485	1,012,463	—	—	—
23 Zhejiang Yiwu CCC SCP003	1,000,000	2.68%	2023/6/20	269days	1,000,000	—	999,253	14,318	539	—	1,014,110	—	1,014,110
23 Zhejiang Yiwu CCC SCP004	1,000,000	2.72%	2023/9/13	210days	1,000,000	—	999,425	8,197	217	—	1,007,839	—	1,007,839
23 Zhejiang Yiwu CCC SCP005	1,000,000	2.78%	2023/11/8	68days	1,000,000	—	999,268	4,113	275	—	1,003,656	—	1,003,656
Total					11,500,000	6,509,672	4,996,964	139,954	4,136	5,065,161	3,087,113	3,498,452	6,585,565

The effective rate of bonds and short-term commercial paper were ranged from 2.90% to 3.61%, 2.09% to 3.00%, respectively.

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As at December 31, 2024, the details of the Group’s bonds are as follows:

Name	Par value RMB'000	Interest rate	Issue date	Term	Issuance amount RMB'000	Balance at the beginning RMB'000	Issuance during the year RMB'000	Accrued interest RMB'000	Premium discount amortization RMB'000	Redemption and interest paid RMB'000	Within one year RMB'000	After one year RMB'000	Carrying amount RMB'000
22 Zhejiang Yiwu CCC MTN001	1,000,000	3.29%	2022/2/24	3years	1,000,000	1,027,485	—	28,033	366	27,942	1,027,942	—	1,027,942
22 Zhejiang Yiwu CCC MTN002	500,000	3.57%	2022/3/29	3years	500,000	513,300	—	13,595	183	13,546	513,532	—	513,532
22 Zhejiang Yiwu CCC MTN003	500,000	3.00%	2022/7/20	3years	500,000	506,439	—	6,781	184	6,740	506,664	—	506,664
22 YIWU CCC 01	800,000	2.88%	2022/9/1	3years	800,000	807,415	—	7,764	163	7,701	807,641	—	807,641
22 YIWU CCC 02	700,000	2.88%	2022/9/22	3years	700,000	705,321	—	5,634	143	5,579	705,519	—	705,519
23 Zhejiang Yiwu CCC SCP003	1,000,000	2.68%	2023/6/20	269days	1,000,000	1,014,110	—	5,379	208	1,019,697	—	—	—
23 Zhejiang Yiwu CCC SCP004	1,000,000	2.72%	2023/9/13	210days	1,000,000	1,007,839	—	7,409	359	1,015,607	—	—	—
23 Zhejiang Yiwu CCC SCP005	1,000,000	2.78%	2023/11/8	268days	1,000,000	1,003,656	—	16,243	457	1,020,356	—	—	—
24 Zhejiang Yiwu CCC SCP001	1,000,000	2.40%	2024/3/13	268days	1,000,000	—	999,256	17,622	744	1,017,622	—	—	—
24 Zhejiang Yiwu CCC SCP002	1,000,000	2.33%	2024/4/9	261days	1,000,000	—	999,285	16,661	715	1,016,661	—	—	—
24 Zhejiang Yiwu CCC SCP003	1,000,000	2.00%	2024/7/31	268days	1,000,000	—	999,413	8,415	337	—	1,008,165	—	1,008,165
24 Zhejiang Yiwu CCC SCP004	1,000,000	1.90%	2024/12/4	268days	1,000,000	—	999,413	1,458	61	—	1,000,932	—	1,000,932
24 Zhejiang Yiwu CCC SCP005	1,000,000	1.80%	2024/12/24	268days	1,000,000	—	1,000,000	395	—	—	1,000,395	—	1,000,395
Total					11,500,000	6,585,565	4,997,367	135,389	3,920	5,151,451	6,570,790	—	6,570,790

The effective rate of bonds and short-term commercial paper were ranged from 2.90% to 3.61%, 1.80% to 2.78%, respectively.

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ACCOUNTANTS’ REPORT

As at December 31, 2025, the details of the Group’s bonds are as follows:

Name	Par value	Interest rate	Issue date	Term	Issuance amount	Balance at the beginning	Issuance during the year	Accrued interest	Premium discount amortization	Redemption and interest paid	Within one year	After one year	Carrying amount
	RMB'000				RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
22 Zhejiang Yiwu CCC MTN001	1,000,000	3.29%	2022/02/24	3years	1,000,000	1,027,942	—	4,867	91	1,032,900	—	—	—
22 Zhejiang Yiwu CCC MTN002	500,000	3.57%	2022/03/29	3years	500,000	513,532	—	4,255	63	517,850	—	—	—
22 Zhejiang Yiwu CCC MTN003	500,000	3.00%	2022/07/20	3years	500,000	506,664	—	8,219	117	515,000	—	—	—
22 YIWU CCC 01	800,000	2.88%	2022/09/01	3years	800,000	807,641	—	15,276	123	823,040	—	—	—
22 YIWU CCC 02	700,000	2.88%	2022/09/22	3years	700,000	705,519	—	14,526	115	720,160	—	—	—
25 Zhejiang Yiwu CCC MTN001	500,000	2.10%	2025/03/27	3years	500,000	—	499,854	8,026	36	—	8,026	499,890	507,916
25 Zhejiang Yiwu CCC MTN002	1,000,000	2.09%	2025/04/24	3years	1,000,000	—	999,710	14,372	65	—	14,372	999,775	1,014,147
25 Zhejiang Yiwu CCC MTN003	500,000	1.89%	2025/07/17	3years	500,000	—	499,855	4,324	22	—	4,324	499,877	504,201
25 YIWU CCC 01	800,000	1.94%	2025/11/13	3years	800,000	—	799,479	2,084	24	—	2,084	799,503	801,587
24 Zhejiang Yiwu CCC SCP003	1,000,000	2.00%	2024/07/31	268days	1,000,000	1,008,165	—	6,270	250	1,014,685	—	—	—
24 Zhejiang Yiwu CCC SCP004	1,000,000	1.90%	2024/12/04	268days	1,000,000	1,000,932	—	12,493	525	1,013,950	—	—	—
24 Zhejiang Yiwu CCC SCP005	1,000,000	1.80%	2024/12/24	268days	1,000,000	1,000,395	—	12,822	—	1,013,217	—	—	—
25 Zhejiang Yiwu CCC SCP001	1,000,000	2.05%	2025/02/20	267days	1,000,000	—	999,415	14,996	585	1,014,996	—	—	—
Total					10,300,000	6,570,790	3,798,313	122,530	2,016	7,665,798	28,806	2,799,045	2,827,851

The effective rate of bonds and short-term commercial paper were ranged from 1.90% to 3.61%, 1.80% to 2.05%, respectively.

(d) Fair value

For the majority of the borrowings, the fair values are not materially different from their carrying amounts, since either the interest payable on those borrowings is close to current market rates, or the borrowings are of a short-term nature.

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The Company

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Non-current			
Bank borrowings			
— Unsecured	510,290	474,950	407,230
Bonds	3,498,452	—	2,799,045
	4,008,742	474,950	3,206,275
Current			
Bank borrowings			
— Unsecured	1,699,335	241,925	67,669
Bonds	61,508	3,561,298	28,806
Short-term commercial paper	3,025,605	3,009,492	—
	4,786,448	6,812,715	96,475

32. TRADE PAYABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Payables for construction and equipment	1,338,245	1,325,633	1,765,594
Payables for hospitality services	29,601	22,985	40,193
Payables for commodity	12,023	107,378	75,247
Others	10,386	13,722	114,893
	1,390,255	1,469,718	1,995,927

An aging analysis of the trade payables based on the invoice date as at the end of the reporting period was as follows:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Within 1 year	1,214,401	1,062,606	1,585,548
1 to 2 years	63,310	313,146	124,981
2 to 3 years	84,745	13,978	193,017
Over 3 years	27,799	79,988	92,381
	1,390,255	1,469,718	1,995,927

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The Company

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Payables for construction and equipment	962,557	1,052,051	1,667,072
Payables for hospitality services	27,716	18,587	36,104
Others	8	4,490	49,631
	990,281	1,075,128	1,752,807

An aging analysis of the trade payables based on the invoice date as at the end of the reporting period was as follows:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Within 1 year	861,567	696,464	1,351,291
1 to 2 years	23,249	287,013	119,481
2 to 3 years	82,881	13,975	191,093
Over 3 years	22,584	77,676	90,942
	990,281	1,075,128	1,752,807

33. ACCRUALS AND OTHER PAYABLES

The Group

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Current			
Salaries, wages and benefits	148,473	177,498	305,568
Accruals and others	355,567	259,059	290,509
Repurchase obligation of share incentive	74,367	33,828	—
Deposits payables	490,913	483,643	543,736
Amount due to equity investment at FVPL, associates and joint ventures (Note 42(b))	977,173	924,273	182,827
Other tax payables	169,134	196,478	378,879
Customer reserves (Note 27)	324,726	377,046	928,101
Dividends	4,737	4,737	5,767
Others	132	8,130	23,433
	2,545,222	2,464,692	2,658,820

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The Company

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Current			
Salaries, wages and benefits	105,072	126,420	253,064
Accruals and others	207,018	182,043	195,290
Repurchase obligation of share incentive	74,367	33,828	—
Deposits payables	405,774	396,664	461,802
Amount due to equity investment at FVPL, associates and joint ventures	814,004	822,226	73,966
Other tax payables	158,849	172,584	356,362
Dividends	4,737	4,737	5,767
Due to subsidiaries	670,485	1,762,033	2,144,243
Others	—	1,626	113
	2,440,306	3,502,161	3,490,607

34. RECEIVED IN ADVANCE

The Group	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Rental advances	224,791	203,178	229,642
Others	4,266	8,830	5,846
	229,057	212,008	235,488
The Company			
Rental advances	176,469	173,367	208,250
Others	961	437	736
	177,430	173,804	208,986

35. OTHER CURRENT LIABILITIES

The Group

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Other tax to be recognized	124,426	225,379	184,267

The Company

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Other tax to be recognized	62,678	136,621	35,179

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36. DEFERRED INCOME

The Group

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Government grants	<u>160,433</u>	<u>150,801</u>	<u>116,223</u>

The movements of deferred income during the Track Record Period are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
At beginning of the year	103,582	160,433	150,801
Additions	58,272	—	—
Recognised in profit or loss	<u>(1,421)</u>	<u>(9,632)</u>	<u>(34,578)</u>
At the end of the year	<u>160,433</u>	<u>150,801</u>	<u>116,223</u>

The Company

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Government grants	<u>102,161</u>	<u>92,529</u>	<u>88,445</u>

The movements of deferred income for the Track Record Period are as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
At beginning of the year	103,582	102,161	92,529
Recognised in profit or loss	<u>(1,421)</u>	<u>(9,632)</u>	<u>(4,084)</u>
At the end of the year	<u>102,161</u>	<u>92,529</u>	<u>88,445</u>

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37. SHARE CAPITAL

The Group and The Company

	Year ended December 31,					
	2023		2024		2025	
	Share capital	Number of shares	Share capital	Number of shares	Share capital	Number of shares
	RMB’000	’000	RMB’000	’000	RMB’000	’000
At the beginning of the year	5,486,074	5,486,074	5,484,334	5,484,334	5,483,646	5,483,646
Cancellation of shares under share schemes	(1,740)	(1,740)	(688)	(688)	(87)	(87)
At the end of the year	<u>5,484,334</u>	<u>5,484,334</u>	<u>5,483,646</u>	<u>5,483,646</u>	<u>5,483,559</u>	<u>5,483,559</u>

- (i) Pursuant to the 12th meeting of the ninth Board of Directors on August 17, 2023, the Company repurchased 1,740,000 restricted shares and subsequently canceled them.

Pursuant to the 20th meeting of the ninth Board of Directors on August 14, 2024, the Company repurchased 688,250 restricted shares and subsequently canceled them.

Pursuant to the 33th meeting of the ninth Board of Directors on August 14, 2025, the Company repurchased 86,700 restricted shares and subsequently canceled them.

38. TREASURY SHARES

The Group and the Company

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
At the beginning of the year	119,484	74,367	33,828
Exercise of restricted shares	(40,043)	(38,543)	(33,619)
Cancellation of shares under share schemes(i)	(5,074)	(1,996)	(209)
At the end of the year	<u>74,367</u>	<u>33,828</u>	<u>—</u>

- (i) In 2023, the Group repurchased and canceled certain restricted shares. This repurchase resulted in a reduction of the corresponding treasury shares by RMB5,074,000, the Group declared a cash dividend of RMB0.065 per share. The distribution of this cash dividend led to a reduction in treasury shares of RMB2,256,000.

In 2024, in accordance with the Restricted Stock Incentive Plan, the Company is required to repurchase shares that fail to meet vesting conditions. The Company repurchased 688,250 restricted ordinary shares for a total consideration of RMB1,996,000 and subsequently cancelled them.

In 2025, in accordance with the Restricted Stock Incentive Plan, the Company is required to repurchase shares that fail to meet vesting conditions. The Company repurchased 86,700 restricted ordinary shares for a total consideration of RMB209,000 and subsequently cancelled them.

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39. SHARE INCENTIVE SCHEME

a Equity-Settled shared-based payment arrangement of the Company

(i) *Restricted Share Incentive Schemes*

Pursuant to the restricted share unit incentive scheme approved at the 5th extraordinary shareholders’ meeting on December 10, 2020, and the 26th meeting of the eighth session of the Board of the Company on December 11, 2020 (the “2020 Restricted Share Incentive Scheme”), the Company granted 50,480,000 restricted shares to 405 incentive participants which in initial grant portion and 2,560,000 restricted shares which in reserved grant portion. The grant date was December 11, 2020, and the granted price was RMB2.94 per share. On January 15, 2021, the Company completed the registration of the initial grant of restricted shares, with a final total of 395 incentive participants actually paying and subscribing for 46,700,000 shares, as 10 incentive participants were no longer eligible for the incentive scheme.

Pursuant to the 35th meeting of the eighth session of the Board of the Company on August 9, 2021, the Company granted 2,550,000 restricted shares to 34 incentive participants which in reserved grant portion under the 2020 Restricted Share Incentive Scheme. The grant date was August 9, 2021, and the granted price was RMB2.39 per share. On November 4, 2021, the Company completed the registration of the initial grant of restricted shares, with a final total of 31 incentive participants actually paying and subscribing for 2,340,000 shares, as 3 incentive participants were no longer eligible for the incentive scheme.

Under the scheme, the shares are vested based on the service conditions and performance conditions. The restricted shares shall be subject to different vesting service periods from the vesting commencement date and different performance appraisal as follow:

<u>Vesting service periods from the vesting commencement date</u>	<u>Percentage of granted shares are vested</u>	<u>Performance appraisal</u>
24 to 36 months	33%	Compare to 2019, the 2021 performance targets are as follows: - Operating revenue growth $\geq$ 75%; - EPS $\geq$ RMB0.20 (both metrics $\geq$ 75th percentile of peers or industry average); - Main business revenue/total revenue $\geq$ 90%; - Gross Merchandise Volume (“GMV”) of <i>Chinagoods</i> $\geq$ RMB13 billion.
36 to 48 months	33%	Compare to 2019, the 2022 performance targets are as follows: - Operating revenue growth $\geq$ 120%; - EPS $\geq$ RMB0.22 (both metrics $\geq$ 75th percentile of peers or industry average); - Main business revenue/total revenue $\geq$ 90%; - GMV of <i>Chinagoods</i> $\geq$ RMB24 billion
48 to 60 months	34%	Compare to 2019, the 2023 performance targets are as follows: - Operating revenue growth $\geq$ 180%; - EPS $\geq$ RMB0.25 (both metrics $\geq$ 75th percentile of peers or industry average); - Main business revenue/total revenue $\geq$ 90%; - GMV of <i>Chinagoods</i> $\geq$ RMB50 billion

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The number of restricted shares granted to the Group’s incentive participants is summarized as follows:

	Year ended December 31,		
	2023	2024	2025
	(‘000)	(‘000)	(‘000)
At the beginning of the year	42,860	27,219	13,413
Exercised	(13,901)	(13,118)	(13,326)
Lapsed	(1,740)	(688)	(87)
At the end of the year	27,219	13,413	—

The fair value of 2020 Restricted Share Incentive Scheme was determined on the basis of the single-day closing price of the circulating shares on the date when the equity instruments are granted, less the exercise price.

40. RETAINED EARNINGS

The Group

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
At the beginning of the year	6,651,441	8,703,605	10,400,490
Net profit during the year	2,676,182	3,073,677	4,203,547
Appropriation to statutory reserve	(263,568)	(282,151)	(307,838)
(Appropriation to)/reversal of general risk reserves	(3,855)	1,934	81
Declaration of dividends	(356,595)	(1,096,575)	(1,809,599)
At the end of the year	8,703,605	10,400,490	12,486,681

The Company

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
At the beginning of the year	6,946,985	8,962,505	10,405,287
Net profit during the year	2,635,683	2,821,508	3,078,381
Appropriation to statutory reserve	(263,568)	(282,151)	(307,838)
Declaration of dividends	(356,595)	(1,096,575)	(1,809,599)
At the end of the year	8,962,505	10,405,287	11,366,231

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41. OTHER RESERVES

The Group

	Share premium	Other comprehensive income	Surplus reserve	Other reserves	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1, 2023	1,549,909	(24,008)	1,616,083	102,276	3,244,260
Currency translation differences	—	3,246	—	—	3,246
Changes in fair value of equity instruments at FVOCI, net of tax	—	43,272	—	—	43,272
Share of other changes in net assets of associates and joint ventures	—	—	—	2,563	2,563
Other comprehensive income that will be reclassified into the profit or loss under equity method	—	885	—	—	885
Appropriation to general risk reserves	—	—	—	3,855	3,855
Share-based payment:					
Share-based compensation expenses	—	—	—	16,507	16,507
Exercise of restricted shares	30,340	—	—	(30,340)	—
Cancellation of shares under share schemes	(3,334)	—	—	—	(3,334)
Appropriation to statutory reserve	—	—	263,568	—	263,568
Balance at December 31, 2023	1,576,915	23,395	1,879,651	94,861	3,574,822

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	Share premium	Other comprehensive income	Surplus reserve	Other reserves	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1, 2024	1,576,915	23,395	1,879,651	94,861	3,574,822
Currency translation differences	—	2,074	—	—	2,074
Changes in fair value of equity instruments at FVOCI, net of tax	—	85,604	—	—	85,604
Other comprehensive income that will be reclassified into the profit or loss under equity method	—	(11)	—	—	(11)
Reversal of general risk reserves	—	—	—	(1,934)	(1,934)
Share-based payment : Share-based compensation expenses	—	—	—	26,270	26,270
Exercise of restricted shares	28,634	—	—	(23,838)	4,796
Cancellation of shares under share schemes	(1,308)	—	—	—	(1,308)
Disposal of subsidiaries (Note 44)	—	—	—	680,985	680,985
Appropriation to statutory reserve	—	—	282,151	—	282,151
Balance at December 31, 2024	<u>1,604,241</u>	<u>111,062</u>	<u>2,161,802</u>	<u>776,344</u>	<u>4,653,449</u>

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	Share premium	Other comprehensive income	Surplus reserve	Other reserves	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Balance at January 1, 2025	1,604,241	111,062	2,161,802	776,344	4,653,449
Currency translation differences	—	(5,702)	—	—	(5,702)
Changes in fair value of equity instruments at FVOCI, net of tax	—	(7,526)	—	—	(7,526)
Other comprehensive income that will be reclassified into the profit or loss under equity method	—	(222)	—	—	(222)
Share of other changes in net assets of associates and joint ventures	—	—	—	28,158	28,158
Share-based payment :					
Share-based compensation expenses	—	—	—	18,472	18,472
Exercise of restricted shares	53,583	—	—	(70,176)	(16,593)
Cancellation of shares under share schemes	(122)	—	—	—	(122)
Reversal of general risk reserves	—	—	—	(81)	(81)
Appropriation to statutory reserve	—	—	307,838	—	307,838
Balance at December 31, 2025	<u>1,657,702</u>	<u>97,612</u>	<u>2,469,640</u>	<u>752,717</u>	<u>4,977,671</u>

The ending balances of other comprehensive income for the years ended December 31, 2023, 2024 and 2025 are as follows:

The Group

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Changes in fair value of investments in equity instruments, net of tax	2,454	88,058	80,532
Other comprehensive income that will be reclassified into the profit or loss under equity method	4,946	4,935	4,713
Exchange differences on translation of foreign operations	15,995	18,069	12,367
	<u>23,395</u>	<u>111,062</u>	<u>97,612</u>

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The Company

	Share premium	Other comprehensive income	Surplus reserve	Other reserves	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Balance at January 1, 2023	1,569,438	(40,818)	1,616,030	316,340	3,460,990
Changes in fair value of equity instruments at FVOCI, net of tax	—	43,272	—	—	43,272
Share-based payment :					
Share-based compensation expenses	—	—	—	16,507	16,507
Exercise of restricted shares	30,340	—	—	(30,340)	—
Cancellation of shares under share schemes	(3,334)	—	—	—	(3,334)
Appropriation to statutory reserve	—	—	263,568	—	263,568
Balance at December 31, 2023	1,596,444	2,454	1,879,598	302,507	3,781,003
	Share premium	Other comprehensive income	Surplus reserve	Other reserves	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Balance at January 1, 2024	1,596,444	2,454	1,879,598	302,507	3,781,003
Changes in fair value of equity instruments at FVOCI, net of tax	—	85,604	—	—	85,604
Other comprehensive income that will be reclassified into the profit or loss under equity method	—	(11)	—	—	(11)
Share-based payment :					
Share-based compensation expenses	—	—	—	23,399	23,399
Exercise of restricted shares	28,634	—	—	(23,838)	4,796
Cancellation of shares under share schemes	(1,308)	—	—	—	(1,308)
Appropriation to statutory reserve	—	—	282,151	—	282,151
Balance at December 31, 2024	1,623,770	88,047	2,161,749	302,068	4,175,634

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	Share premium	Other comprehensive income	Surplus reserve	Other reserves	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Balance at January 1, 2025	1,623,770	88,047	2,161,749	302,068	4,175,634
Changes in fair value of equity instruments at FVOCI, net of tax	—	(7,526)	—	—	(7,526)
Other comprehensive income that will be reclassified into the profit or loss under equity method	—	(222)	—	—	(222)
Share of other changes in net assets of associates and joint ventures	—	—	—	28,158	28,158
Share-based payment:					
Share-based compensation expenses				14,800	14,800
Exercise of restricted shares	49,277	—	—	(63,635)	(14,358)
Cancellation of shares under share schemes	(122)	—	—	—	(122)
Appropriation to statutory reserve	—	—	307,838	—	307,838
Balance at December 31, 2025	1,672,925	80,299	2,469,587	281,391	4,504,202

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42. NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Reconciliation of Profit Before Income Tax to Net Cash Generated from Operations:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Profit before income tax for the year	3,208,073	4,028,743	5,407,572
Adjustments for:			
Interest income	(67,434)	(42,136)	(93,268)
Finance costs	193,111	141,845	79,493
Depreciation and amortization of non-current assets	888,139	890,339	1,002,037
Net (gains)/losses on disposal of property, plant and equipment and other non-current assets	(139,114)	87	(2,199)
Net impairment (reversals)/losses on financial assets	(2,138)	12,891	10,710
Net gains on disposal of investment properties	—	(83,290)	(76,815)
Share of profit of associates and joint ventures, net	(1,035,858)	(159,710)	(199,606)
Net gains on disposal of financial instruments	(2,525)	(3,671)	(5,837)
Net foreign exchange (gains)/losses	(4,963)	(701)	85
Share-based compensation expenses	16,507	8,408	610
Gains from disposal of subsidiary	(9,663)	—	—
Gains from disposal of associates	—	—	(84)
Interest from entrusted loan and joint ventures	(21,434)	(28,362)	(27,859)
Dividends income	(17,871)	(97,163)	(5,811)
Fair value changes in financial instruments	52,431	(12,871)	(247,657)
Others	—	22,657	(2,400)
Change in working capital:			
(Increase)/decrease in receivables	(767,914)	(654,367)	229,871
(Decrease)/increase in payables	(408,027)	2,303,010	5,922,332
Decrease/(increase) in inventories	83,107	(1,142,653)	(357,188)
Cash generated from operations	1,964,427	5,183,056	11,633,986

(b) Non-Cash Activities

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Dividend offset against other payables	4,915	56,988	720,588
Principal repayment (associates/FVPL) offset by other payables	—	23,333	6,549
Additions of right-of-use assets by way of leasing liabilities (<i>Note 18</i>)	316	5,250	4,519
	5,231	85,571	731,656

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(c) Net Debt Reconciliation

	Bank borrowings	Bonds	Short-term commercial paper	Lease liabilities	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
At January 1, 2023	1,464,133	3,558,925	3,012,256	231,622	8,266,936
Financing cash flows	1,098,402	—	—	(32,904)	1,065,498
Interest paid	(61,318)	(108,806)	(68,198)	(5,165)	(243,487)
Interest accrued	75,382	109,841	81,547	5,165	271,935
Other non-cash movements — impact of exchange rate fluctuations	—	—	—	1,435	1,435
Other non-cash movements- additions	—	—	—	316	316
At December 31, 2023	2,576,599	3,559,960	3,025,605	200,469	9,362,633
At January 1, 2024	2,576,599	3,559,960	3,025,605	200,469	9,362,633
Financing cash flows	(1,645,514)	—	—	(29,775)	(1,675,289)
Interest paid	(104,281)	(108,950)	(92,419)	(11,755)	(317,405)
Interest accrued	72,858	110,288	76,306	11,755	271,207
Other non-cash movements — impact of exchange rate fluctuations	—	—	—	1,693	1,693
Other non-cash movements — additions	—	—	—	5,250	5,250
Other non-cash movements — early termination of lease	—	—	—	(6,221)	(6,221)
At December 31, 2024	899,662	3,561,298	3,009,492	171,416	7,641,868
At January 1, 2025	899,662	3,561,298	3,009,492	171,416	7,641,868
Financing cash flows	(375,964)	(701,038)	(3,000,095)	(23,827)	(4,100,924)
Interest paid	(18,465)	(108,950)	(57,402)	(9,848)	(194,665)
Interest accrued	18,660	76,541	48,005	9,848	153,054
Other non-cash movements — impact of exchange rate fluctuations	—	—	—	5,900	5,900
Other non-cash movements- additions	—	—	—	4,519	4,519
Other non-cash movements — early termination of lease	—	—	—	(3,886)	(3,886)
At December 31, 2025	523,893	2,827,851	—	154,122	3,505,866

43. BUSINESS COMBINATION

During the Track Record Period, there were no material business combinations undertaken by the Company.

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44. DISPOSAL OF SUBSIDIARIES

(a) Summary of disposals

In June 2024, pursuant to the resolutions of the 18th meeting of the Ninth Board of Directors and the 2023 Annual General Meeting of Shareholders, the Group disposed of its entire 100% equity interest in Yiwu Xingchen Enterprise Management Co., Ltd. (together with its subsidiary, Haicheng Yiwu China Commodities City Investment and Development Co., Ltd.) to the controlling shareholder of the Company, Yiwu China Commodity City Holdings Co., Ltd., at nil consideration. The disposal was based on the valuation report issued by an independent qualified valuer.

In accordance with IAS 1 and IFRS 10, transactions with shareholders in their capacity as shareholders are accounted for as equity transactions. Accordingly, as the disposal was made to the controlling shareholder of the Company, the difference between the consideration received nil and the carrying amount of the net assets disposed of (negative RMB 680,985,000) was recognised directly in other reserves within equity, rather than in profit or loss.

During the year ended December 31,2024, the major disposal of subsidiaries is summarized as follows:

	<u>Yiwu Xingchen</u> RMB’000
<u>Fair value of identifiable net assets</u>	
Non-current assets	
Property, plant and equipment	554,330
Intangible assets	19
Lease	95,056
Deferred tax assets	138,253
Current assets	
Inventory	1,078,471
Trade receivables	1,030
Cash and cash equivalents	214
Other receivables	2,801
Other current assets	19,512
Current liabilities	
Contract liabilities	10,030
Trade payables	35,976
Accrual and other payables	2,522
Other current liabilities	2,577,528
Less: Non-controlling interests	<u>(55,385)</u>
Fair value of the net assets/(liabilities) lost	<u><u>(680,985)</u></u>
	<u>Yiwu Xingchen</u> RMB’000
<u>Cash impact</u>	
Cash received	—
Less: Net assets disposed of	<u>(680,985)</u>
Gain on disposal	<u><u>680,985</u></u>

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45. CONTINGENCIES AND COMMITMENTS

45.1 Contingencies

The Group provides guarantees to banks in connection with mortgage loans obtained by certain property purchasers, ensuring that the purchasers fulfill their repayment obligations. As at December 31, 2023, 2024, and 2025, the amounts of such guarantees were approximately RMB50,384,000, RMB4,412,000, and RMB4,195,000, respectively.

These guarantees will terminate upon the earlier of: (i) the transfer of the real estate ownership certificate to the purchaser; or (ii) the full repayment of the mortgage loans by the purchaser. The guarantee period commences on the date the mortgage is granted.

Given that the transfer of real estate ownership certificates generally occurs shortly after the property delivery date, the Group expects no material credit risk arising from these guarantees.

45.2 Capital Commitments

The following shows the major capital commitments of the Group:

	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Property, plant and equipment commitments:			
— Contracted, but not provided for	4,549,081	3,533,111	4,735,546
Equity investment commitments:			
— Contracted, but not provided for	117,680	326,767	336,767
— Authorized, but not contracted	—	300,000	—
	4,666,761	4,159,878	5,072,313

46. RELATED PARTY TRANSACTIONS

(a) Parent Entities

Name	Place of incorporation	Ownership interest		
		As at December 31,		
		2023	2024	2025
Yiwu China Commodity City Holdings Co., Ltd.	Yiwu City, Zhejiang Province	55.40%	55.40%	55.40%

The ultimate controlling party is State-owned Assets Supervision and Administration Office of Yiwu Municipal People’s Government (“義烏市人民政府國有資產監督管理委員會”).

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(b) Names and Relationship with Related Parties

Related parties are those parties that have the ability, directly and indirectly, to control, jointly control or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related because they are subject to common control and common joint control in the controlling shareholder’s families. Members of key management and their close family member of the Group are also considered as related parties.

The directors of the Company are of the view that the following parties were significant related parties of the Group that had transactions or balances with the Group for the years ended December 31, 2023, 2024 and 2025:

<u>Name of the related parties</u>	<u>Relationship with the Group</u>
Yiwu Market Development Group Co., Ltd. (“義烏市市場發展集團有限公司”)	An entity controlled by the ultimate controlling entity
Yiwu Market Development Service Center Co., Ltd. (“義烏市市場開發服務中心有限責任公司”)	An entity controlled by the ultimate controlling entity
Yiwu Market Development Group Co., Ltd. Xingfuhu International Conference Central Branch (“義烏市市場發展集團有限公司幸福湖國際會議中心分公司”)	An entity controlled by the ultimate controlling entity
Zhejiang Xingfu Lake Sports Development Co., Ltd. (“浙江幸福湖體育發展有限責任公司”)	An entity controlled by the ultimate controlling entity
Yiwu Agriculture Development Co., Ltd. (“義烏市農業開發有限公司”)	An entity controlled by the ultimate controlling entity
Yiwu Security Service Co., Ltd. (“義烏市保安服務有限公司”)	An entity controlled by the ultimate controlling entity
Yiwu China Commodity City Property Development Co., Ltd. (“義烏中國小商品城房地產開發有限公司”)	An entity controlled by the ultimate controlling entity
Yiwu Shangbo Cloud Valley Enterprise Management Co., Ltd. (“義烏商博雲穀企業管理有限公司”)	An entity controlled by the ultimate controlling entity
Yiwu China Commodity City Property Service Co., Ltd. (“義烏市中國小商品城物業服務有限公司”)	An entity controlled by the ultimate controlling entity
Yiwu Jinlong Shangbo Property Co., Ltd. (“義烏錦隆商博置業有限公司”)	An entity controlled by the ultimate controlling entity
Yiwu Jinhong Shangbo Enterprise Management Co., Ltd. (“義烏錦鴻商博企業管理有限公司”)	An entity controlled by the ultimate controlling entity
Yiwu Gongchen Shangbo Property Co., Ltd. (“義烏拱辰商博置業有限公司”)	A joint venture of the Company
Yiwu Chengzhen Property Co., Ltd. (“義烏城臻置業有限公司”)	A joint venture of the Company
Yisha Chengdu International Trade City Co., Ltd. (“伊廈成都國際商貿城股份有限公司”)	A minority shareholder of the subsidiary
Zhejiang Yiwu Baixian Wanpin Agricultural Aid Supply Chain Co., Ltd. (“浙江義烏百縣萬品助農供應鏈有限公司”)	An entity controlled by the ultimate controlling entity
Yiwu State-owned Capital Operation Co., Ltd. (“義烏市國有資本運營有限公司”)	An entity controlled by the ultimate controlling person
Yiwu Handing Shangbo Real Estate Co., Ltd. (“義烏瀚鼎商博置業有限公司”)	An entity controlled by the ultimate controlling person
Yiwu Jinhua Shangbo Real Estate Co., Ltd. (“義烏錦華商博置業有限公司”)	An entity controlled by the ultimate controlling person
Yiwu Comprehensive Bonded Zone Enterprise Management Co., Ltd. (“義烏綜合保稅區企業管理有限公司”)	An entity controlled by the ultimate controlling person
Zhejiang Yiwu Rural Economic Development Co., Ltd. (“浙江義烏農村經濟發展有限公司”)	An entity controlled by the ultimate controlling person
Yiwu Huangyuan Shangbo Real Estate Co., Ltd. (“義烏篁園商博置業有限公司”)	A joint venture of the Company
Yiwu Tonghui Shangbo Real Estate Co., Ltd. (“義烏通惠商博置業有限公司”)	A joint venture of the Company

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The following transactions and balances were carried out between the Group and its related parties during the Track Record Period. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties. In addition to those disclosed elsewhere in the Historical Financial Information, the Group has the following transactions with related parties:

(c) **Material Transactions with Related Parties**

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Purchase of goods and services:			
Entities controlled by the ultimate controlling entity	209,785	240,624	310,248
Associates and joint ventures	9,171	15,261	8,322
	<u>218,956</u>	<u>255,885</u>	<u>318,570</u>

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Sales of goods and rendering of services:			
Entities controlled by the ultimate controlling entity	6,780	4,537	3,119
Associates and joint ventures	2,147	13,704	22,558
	<u>8,927</u>	<u>18,241</u>	<u>25,677</u>

Related-party lease

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
The Group as the lessor:			
Entities controlled by the ultimate controlling entity	1,746	1,975	2,606
Associates and joint ventures	893	1,339	1,136
	<u>2,639</u>	<u>3,314</u>	<u>3,742</u>

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
The Group as the lessee:			
Entities controlled by the ultimate controlling entity	<u>15,026</u>	<u>15,026</u>	<u>10,017</u>

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Guarantee provided by the Company			
A joint venture	<u>45,755</u>	<u>—</u>	<u>—</u>

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The Company provided a guarantee for a bank loan extended to Yiwu Shanglv Investment Development Co., Ltd. (“Yiwu Shanglv”), a joint venture of the Company. The guarantee period was from 1 July 2015 to 15 December 2026. As Yiwu Shanglv has fully repaid the bank loan in 2024, the Company’s guarantee liability has been consequently discharged.

		Year ended December 31,		
		2023	2024	2025
		RMB’000	RMB’000	RMB’000
Investment repayments				
Associates and joint ventures		597,238	150,000	—
		Year ended December 31,		
		2023	2024	2025
		RMB’000	RMB’000	RMB’000
Investment return				
Associates and joint ventures		34,806	—	27,738
(d) Balance with Related Parties				
		As at December 31,		
		2023	2024	2025
		RMB’000	RMB’000	RMB’000
Trade and notes receivables				
Entities controlled by the ultimate controlling entity		1,546	25	190
Associates and joint ventures		8	—	4,935
Less: credit loss allowance		(29)	—	(19)
		1,525	25	5,106
		As at December 31,		
		2023	2024	2025
		RMB’000	RMB’000	RMB’000
Prepayments				
Entities controlled by the ultimate controlling entity		—	16,006	5,114
		As at December 31,		
		2023	2024	2025
		RMB’000	RMB’000	RMB’000
Other receivables				
Entities controlled by the ultimate controlling entity		615	721	486
Associates and joint ventures		270,756	285,842	255,293
		271,371	286,563	255,779

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The Group provided loans to JEBEL ALI FREE ZONE TRADER MARKET DEVELOPMENT AND OPERATION FZCO, an associate of the Group. These loans bear interest at an annual rate of the 6-month average EIBOR plus 5%, with a term from March 2020 to March 2039. Repayment of the loans is subject to the progress of the underlying project. As at December 31, 2023, 2024, and 2025, the outstanding loan amounts were approximately RMB238,906,000, RMB268,690,000, and RMB255,266,000, respectively.

The Group also provided loans to Yiwu Shanglv, a joint venture of the Group. During the Track Record Period, these loans bore interest at annual rates ranging from 4.35% to 4.83%. Repayment of the loans is subject to the progress of the underlying project. As at December 31, 2023, 2024, and 2025, the outstanding loan amounts were approximately RMB31,850,000, RMB17,150,000, and nil, respectively.

As at December 31,			
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Entrusted loans			
A minority shareholder of the subsidiary	48,073	—	48,073
	<u>48,073</u>	<u>—</u>	<u>48,073</u>
As at December 31,			
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Trade payables			
Entities controlled by the ultimate controlling entity	9,602	280	2,603
Associates and joint ventures	2,321	8,808	1,010
	<u>11,923</u>	<u>9,088</u>	<u>3,613</u>
As at December 31,			
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Advance from customers			
Entities controlled by the ultimate controlling entity	2,744	1,586	824
Associates and joint ventures	1,381	798	345
	<u>4,125</u>	<u>2,384</u>	<u>1,169</u>
As at December 31,			
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Contract liabilities			
Entities controlled by the ultimate controlling entity	145	138	84
Associates and joint ventures	57	61	43
	<u>202</u>	<u>199</u>	<u>127</u>

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	As at December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Other payables			
Entities controlled by the ultimate controlling entity	542	863	297
Associates and joint ventures	833,358	849,683	77,018
	<u>833,900</u>	<u>850,546</u>	<u>77,315</u>

All the balances with the related parties are trade in natures.

(e) Key Management Compensation

Compensation of the key management personnel of the Group, including amounts paid to the Company’s directors and supervisors as disclosed in Note 9(a), was as follows:

	Year ended December 31,		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Fees	278	292	340
Salaries, wages and bonuses	7,045	6,408	8,841
Share-based compensation expenses	810	142	10
Pension costs, housing fund, medical insurance and other social benefits	1,835	1,847	1,978
	<u>9,968</u>	<u>8,689</u>	<u>11,169</u>

As at December 31, 2023, 2024 and 2025, approximately RMB1,835,000, RMB1,364,000, and RMB2,475,000 of payroll payables which were unpaid as at year end were included in other payables and accruals. The share-based payments provided to key management personnel consist of restricted share incentive schemes which are equity-settled, see Note 39.

47. EVENTS AFTER THE REPORTING PERIOD

Pursuant to the annual shareholders’ resolution dated April 29, 2026, a final dividend of RMB5 per 10 shares (tax inclusive), has been approved. These financial statements do not reflect this dividend payable as it was not approved as at the balance sheet date.

48. SUMMARY OF OTHER ACCOUNTING POLICIES

(1) Principles of Consolidation

The Historical Financial Information incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and

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- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group’s voting rights in an investee are sufficient to give it power, including:

- the size of the Group’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders’ meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group’s equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group’s ownership interests in existing subsidiaries

Changes in the Group’s ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group’s relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group’s and the non-controlling interests’ proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognized. A gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for

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as if the Group had directly disposed of the related assets or liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under *IFRS 9* or, when applicable, the cost on initial recognition of an investment in an associate.

(2) Investments in Associates and Joint Ventures

An associate is an entity over which the Group has significant influence but no control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Investments in associates and joint ventures are accounted for using the equity method of accounting, after initially being recognized at cost.

Under IFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Interests in joint ventures are accounted for using the equity method, after initially being recognized at cost in the consolidated statement of financial position.

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the group’s share of the post-acquisition profits or losses of the investee in profit or loss, and the group’s share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

Where the group’s share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group’s interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

Changes in the Group’s interests in associates and joint ventures

When the Group reduces its ownership interests in an associate or a joint venture but the Group continues to use the equity method (including situations that change of ownership interest in an associate or a joint venture due to capital increase of other shareholders to the associate or the joint venture), the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interests if that gain or loss would have been reclassified to profit or loss on the disposal of the related assets or liabilities.

(3) Business Combinations

(i) Business Combination not Under Common Controls

The acquisition method of accounting is used to account for all business combinations (except for the business combinations under common controls), regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

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Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest’s proportionate share of the acquired entity’s net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity’s incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognized in profit or loss.

(4) Separate Financial Statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment test of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount of the investee’s net assets including goodwill.

(5) Foreign Currencies

(i) Functional and Presentation Currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). Since the majority of the assets and operations of the Group are located in the PRC, the Historical Financial Information are presented in RMB, which is also the Company’s functional and the Group’s presentation currency.

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statements of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statements of profit or loss on a net basis within other gains/(losses), net.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at FVPL are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognized in other comprehensive income.

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(iii) *Group Companies*

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position of the Group’s entities are translated at the closing rate at the end of the reporting period;
- income and expenses for each statement of profit or loss of the Group’s entities are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(6) **Property, Plant and Equipment**

The Group’s accounting policy for buildings and equipment is explained in Note 17. Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Construction in progress mainly represents buildings under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalized borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property and equipment when completed and ready for use.

(7) **Investment properties**

Investment properties are properties held to earn rentals and/or for capital appreciation (including properties under construction for such purposes). Investment properties include land held for undetermined future use, which is regarded as held for capital appreciation purpose.

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Investment properties also include leased properties which are right-of-use assets and subleased by the Group under operating leases.

Investment properties are initially measured at cost, including related transaction costs. After initial recognition, the Group chooses the cost model to measure all of its investment properties.

Depreciation is calculated on the straight-line basis to its residual value over its estimated useful life. The estimated useful lives are as follows:

Buildings	10–40 years
Land use rights	40–50 years

The carrying amounts of investment properties measured using the cost method are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of the retirement or disposal.

(8) Impairment of Non-Financial Assets

Goodwill and intangible assets that have an indefinite useful life or are not yet available for use are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(9) Intangible assets

Goodwill

Goodwill is measured as described in Note 19. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

Software

Purchased software is stated at cost less any impairment losses and amortized on the straight-line basis over its estimated useful life.

Capitalized development costs

Research expenditure is recognized as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new and improved products) are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the product so that it will be available for use;
- Management intends to complete the product and use or sell it;

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- There is an ability to use or sell the product;
- It can be demonstrated how the product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the product are available; and

The expenditure attributable to the product during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Directly attributable costs that are capitalized as part of the patent right and non-patent technologies mainly include employee costs, raw materials and consumables used.

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is ready for use.

(10) Financial Assets

(i) *Classification*

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to present subsequent changes in fair value in other comprehensive income.

(ii) *Recognition and Derecognition*

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

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(iii) *Measurement*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses), net together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses), net in the period in which it arises.
- **FVOCI:** assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as a separate line item in the statement of profit or loss.

Equity instruments

The Group subsequently measures all equity instruments at fair value. Where the Group’s management has elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss as other income when the Group’s right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognized in other gains/(losses) in the statement of profit or loss as applicable.

(iv) *Impairment of Financial Assets*

The Group recognizes an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. Details, please refer to credit risks in Note 3.2.

(11) **Financial Liabilities**

Financial liabilities are classified as financial liabilities at amortized cost and financial liabilities at FVPL at initial recognition.

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Financial liabilities of the Group mainly comprise financial liabilities at amortized cost, including trade payables, other payables and accruals, borrowings and customer deposit. Such financial liabilities are initially recognized at fair value, net of transaction costs incurred, and subsequently measured using the effective interest method. Financial liabilities that are due within one year (inclusive) are classified as current liabilities; those with maturities over one year but are due within one year (inclusive) as from the balance sheet date are classified as current portion of non-current liabilities. Others are classified as non-current liabilities.

A financial liability is derecognized or partly derecognized when the underlying present obligation is discharged or partly discharged. The difference between the carrying amount of the derecognized part of the financial liability and the consideration paid is recognized in profit or loss for the current period.

(12) Inventories

Inventories include properties under development, completed properties held for sale and other inventories.

Properties under development.

Properties under development are intended to be held for sale after completion.

Properties under development are stated at the lower of cost comprising land costs, construction costs, borrowing costs, professional fees and other costs directly attributable to such properties incurred during the development period and net realisable value.

Properties under development are classified as current assets unless those will not be realised in the normal operating cycle. On completion, the properties are transferred to completed properties held for sale.

Completed properties held for sale

Completed properties held for sale are stated in the statement of financial position at the lower of cost and net realisable value. Cost is determined by an apportionment of the total costs of land and buildings attributable to the unsold properties. Net realisable value takes into account the price ultimately expected to be realised, less estimated costs to be incurred in selling the properties.

Allocation of property development costs

Land costs are allocated to each unit according to their respective saleable gross floor area (“GFA”) to the total saleable GFA. Construction costs relating to units were identified and allocated specifically. Common construction costs have been allocated according to the saleable GFA similar to land costs.

Other inventories

Other inventories represent trading merchandises or other assets that are stated at the lower of cost and net realisable value. Cost of inventories are determined on the weighted average method. Cost comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories are accounted for under the perpetual inventory system, except for hotel catering food and beverage items, which are accounted for under the periodic inventory system.

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(13) Trade Receivables

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognized at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method. See Note 3.2 for a description of the Group’s impairment policies.

(14) Share Capital and Capital Reserve

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(15) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

(16) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are derecognized when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Group is required to comply with, on or before the end of reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

(17) Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

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(18) Provisions

Provisions for legal claims, service warranties and make good obligations are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

(19) Employee Benefits

(i) *Short-Term Obligations*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees’ services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

(ii) *Housing Funds, Medical Insurances and Other Social Insurances*

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurance and other employee social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group’s liability in respect of these funds is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

(iii) *Post-Employment Benefits*

The Group classifies post-employment benefit plans as either defined contribution plans or defined benefit plans. Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate fund and will have no obligation to pay further contributions; and defined benefit plans are post-employment benefit plans other than defined contribution plans. During the reporting period, the Group’s defined contribution plans mainly include basic pensions and unemployment insurance, while the defined benefit plans are certain oversea subsidiaries provide supplemental retirement benefits beyond the national regulatory insurance system.

(iv) *Basic Pensions*

The Group’s employees participate in the basic pension plan set up and administered by local authorities of Ministry of Human Resource and Social Security. Monthly payments of premiums on the basic pensions are calculated according to prescribed bases and percentage by the relevant local authorities. When employees retire, the relevant local authorities are obliged to pay the basic pensions to them. The amounts based on the above calculations are recognized as liabilities in the accounting period in which the service has been rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets.

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ACCOUNTANTS’ REPORT

(20) Share-Based Payments

(i) *Equity-settled share-based payment transactions*

The Group operates an equity-settled share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (including shares or share options) of the Group. The fair value of the employee services received in exchange for the grant of the equity instruments is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, remaining an employee of the entity over a specified time period);
- including the impact of any non-vesting conditions.

At the end of each reporting period, the Group revises its estimates of the number of share options that are expected to vest based on the non-marketing performance and service conditions, irrespective of whether those non-vesting conditions are satisfied. It recognizes the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

(ii) *Share-based payment transactions among group entities*

The Company settling a share-based payment transaction when another entity in the Group receives the goods or services shall recognize the transaction as an equity-settled share-based payment transaction only if it is settled in the Company’s own equity instruments. Otherwise, the transaction shall be recognized as a cash settled share-based payment transaction. In its separate financial statements, the Company records a debit, recognizing an increase in the investment in subsidiaries as a capital contribution from the parent and a credit to equity as no goods or services are received by the Company. The Company records a debit, recognizing the cash the employee paid when exercising the equity-settled share-based payment along with a decrease in reserves and a credit, recognizing share capital and share premium of the Company.

(iii) *Modifications and Cancellations*

The Group may modify the terms and conditions on which the share-based compensation plan was granted. If a modification increases the fair value of the equity instruments granted, the incremental fair value granted is included in the measurement of the amount recognized for the services received over the remainder of the vesting year. A grant of the share-based compensation plan, that is cancelled or settled during the vesting year, is treated as an acceleration of vesting. The Group will immediately recognize the amount that otherwise would have been recognized for services received over the remainder of the vesting year

(21) Dividend Distribution

Dividend distribution to the shareholders is recognized as a liability in the Historical Financial Information in the period in which the dividends are approved by the entities’ shareholders or directors, where appropriate.

(22) Interest Income

Interest income from financial assets at FVPL is included in the net fair value gains/(losses) on these assets.

Interest income on financial assets at amortized cost and financial assets at FVOCI calculated using the effective interest method is recognized in profit or loss as part of other income.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

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(23) Dividend Income

Dividend income is recognized when the right to receive dividend payment is established.

(24) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(25) Government Grants

Government grants relating to costs are deferred and recognized in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and they are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

(26) Current and Deferred Income Tax

The income tax expense or credit for the period is the tax payable on the current period’s taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) *Current Income Tax*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries, associates and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(ii) *Deferred Income Tax*

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Historical Financial Information. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give

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rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

(27) Leases

(i) *Definition of a Lease*

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

(ii) *The Group as a Lessee*

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the financial statements would not differ materially from individual leases within the portfolio.

Short-Term Leases and Leases of Low-Value Assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

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Right-of-Use Assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Land leases are also in the scope of IFRS 16. The Group recognizes any prepaid premium for leasehold lands as right-of-use assets which are depreciated over the relevant lease terms.

Refundable rental deposits paid are account under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease Liabilities

At the commencement date of a lease, the Group recognizes and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases of the Group, the lessee’s incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option; and

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- lease payments to be made under reasonably certain extension options are also included in the measurement of lease liabilities.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item in the consolidated statement of financial position.

(iii) *The Group as a Lessor*

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognized as an expense on a straight-line basis over the lease term.

Refundable rental deposits received are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of the companies now comprising the Group in respect of any period subsequent to December 31, 2025 and up to the date of this report.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

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PROPERTY VALUATION REPORT

The following is the text of a letter and a summary of valuations prepared for the purpose of incorporation in this Document received from Cushman & Wakefield Limited, an independent property valuer, in connection with its opinion of value of the property interests of the Group as at 28 February 2026.



27/F One Island East
Taikoo Place
18 Westlands Road
Quarry Bay
Hong Kong

[●] 2026

The Directors
Zhejiang China Commodities City Group Co., Ltd.
No. 567 Yinhai Road
Futian Subdistrict
Yiwu City
Jinhua, Zhejiang Province
The People's Republic of China

Dear Sirs,

Instructions, Purpose & Valuation Date

In accordance with your instructions for us to value certain properties in the People's Republic of China (the “**PRC**”), in which Zhejiang China Commodities City Group Co., Ltd. (the “**Company**”) together with its subsidiaries (collectively the “**Group**”) have interests, we confirm that we have inspected the properties, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the values of such properties as at 28 February 2026 (the “**Valuation Date**”).

Valuation Basis

Our valuation of each of the properties represents its market value which in accordance with The HKIS Valuation Standards 2024 published by the Hong Kong Institute of Surveyors is defined as ‘the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion’.

Our valuation of each property is on an entirety interest basis.

Valuation Assumptions

Our valuation of each property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

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We confirmed that we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities published by The Stock Exchange of The Hong Kong Limited and The HKIS Valuation Standards 2024 published by The Hong Kong Institute of Surveyors.

In the course of our valuation of the properties, we have relied on the information and advice given by the Group and the Company’s legal advisers (the “**Legal Advisers**”), 國浩律師(杭州)事務所 (Grandall Law Firm (HANGZHOU)), regarding the titles to the properties and the interests of the Company in the properties in the PRC.

Unless otherwise stated in the legal opinions provided for the properties in the PRC, we have assumed that the Company has an enforceable title to each of the properties and has free and uninterrupted rights to use, occupy or assign the properties for the whole of the respective unexpired land use term as granted and that any premium payable has already been fully paid.

The status of titles and grant of major certificates, approvals and licences, in accordance with the information provided by the Company, are set out in the notes of the respective valuation report.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the properties nor any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoing of any onerous nature which could affect their values.

Valuation Methods

In valuing the properties in Groups I, which are held by the Group for investment in the PRC, we have adopted Income Capitalisation Method on the basis of capitalisation of rental incomes derived from the existing tenancies with due allowance for reversionary potential of each of the properties at appropriate capitalisation rates. Transactions involving similar scale properties of the same nature and tenancy structure in the same districts are not frequent. On the other hand, as most properties generate rental income from letting arrangements and such rental comparables are more readily available, we consider Income Capitalisation Method, which is also commonly used in valuing properties for investment purposes, to be the best method to value these properties.

By Income Capitalisation Method, we have mainly made reference to lettings within the subject properties as well as other relevant comparable rental evidences of properties of similar use type subject to appropriate adjustments including but not limited to location, accessibility, age, quality, maintenance standard, size, time, configuration and other relevant factors.

The capitalisation rates adopted in our valuations are based on our analyses of the yields of properties of similar use type after due adjustments. Such capitalisation rates are estimated with reference to the yields generally expected by the market for comparable properties of similar use type, which implicitly reflect the type and quality of the properties, the expectation of the potential future rental growth, capital appreciation and relevant risk factors. The capitalisation rates adopted are reasonable and in line with the market norm having regard to the analysed yields of transactions of the relevant use type.

We have valued the hotel portions of the properties by Discounted Cash Flow (“**DCF**”) Method. DCF Method involves discounting future net cash flow after operation-related and property-related capital taxes (i.e. net operating income) of a property until the end of the respective unexpired land use

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term to its present value by using an appropriate discount rate that reflects the rate of return required by a third party investor for an investment of this type. We have prepared the cash flow forecast with reference to the current and anticipated market conditions.

The discount rate adopted in DCF Method reflects the rate of return required by a third party investor for an investment of similar use type. In determining the discount rate which reflects the inherent risks associated with investment in the property, we take into consideration compensation for risks inherent in future cash flows, inflation, revenue growth, our understanding of the return expected by investors for similar properties as well as the level of discount rates used in valuations of similar types of properties. The discount rate adopted is reasonable and in line with the market norm having regard to the relevant analyses.

In the valuation of properties in Group II, which are held by the Group for sale in the PRC, we have utilised Market Comparison Method which is a commonly used valuation method for property valuation when there are relevant comparable sales evidence for reference to arrive at the market value. This method rests on the wide acceptance of the market evidence as the best indicator that can be extrapolated to similar properties, subject to allowances for variable factors. We consider the market value arrived at by Market Comparison Method is reliable. Such method is in line with market practice.

In respect of the properties in Group III, which are held by the Group under development in the PRC, we have valued on the basis that each of these properties will be developed and completed in accordance with the latest development scheme provided to us by the Group. We have assumed that in each case all consents, approvals and licences from the relevant government authorities for the development scheme have been obtained without onerous conditions or delays. We have also assumed that the design and construction of the developments are in compliance with the local planning regulations and other relevant regulations and have been approved by the relevant authorities.

In arriving at our opinion of values, we have adopted Market Comparison Method and Discounted Cash Flow (“DCF”) Method to assess the development value as if completed and have also taken into account the expended construction costs as well as the costs that will be expended to complete the developments. The development value as if completed represents our opinion of the aggregate values of the developments assuming they were completed at the Valuation Date.

In valuing the properties in Group IV, which are held by the Group for future development in the PRC, we have adopted Market Approach by making reference to comparable land sales evidence as available in the market.

Source of Information

We have accepted advice given by the Company on such matters as planning approvals or statutory notices, easements, tenure, identification of land and buildings, completion date of buildings, particulars of occupancy, rental incomes and revenue, development, development time schedules, construction costs, site and floor areas, interest attributable to the Company and all other relevant matters.

Dimensions, measurements and areas included in the valuation report are based on the information provided to us and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us by the Company which is material to the valuations. We were also advised by the Company that no material facts have been omitted from the information provided.

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We would point out that the copies of documents of the properties provided to us are mainly compiled in local language characters and the transliteration into English represents our understanding of the contents. We would therefore advise you to make reference to the original editions of the documents and consult the Legal Advisers regarding the legality and interpretation of these documents.

Environmental, Social and Governance

Sustainability and Environmental, Social, and Governance (“ESG”) factors are considerations which some market participants may take into account in their decision-making and may be reflected in pricing. In the course of our valuations, we have, where applicable, taken into account, to the extent that current market participants would, of the material sustainability features of the properties as observed from inspections, information supplied or notified to us by the Company. For the avoidance of doubt, our valuations do not constitute ESG risk assessments or ratings, which are outside our expertise and require additional specialists’ advice beyond the scope of the valuer.

Title Investigation

We have been provided by the Group with extracts of documents in relation to the titles to the properties in the PRC. However, we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us. Moreover, we have not searched the original documents to verify ownership or to ascertain any amendment which may not appear on the copies handed to us. We are also unable to ascertain the title of the properties in the PRC and we have therefore relied on the advice given by the Company or the Company’s PRC legal adviser 國浩律師(杭州)事務所 (Grandall Law Firm (HANGZHOU)) dated [●] regarding the interests of the Company in the properties in the PRC.

Site Inspection

Except otherwise stated, we inspected the exterior and, wherever possible, the interior of the properties in between March and April 2026. However, we have not carried out any investigations on site to determine the suitability of the soil conditions and the services etc. for any future development. Our valuations are prepared on the assumption that these aspects are satisfactory and that no extraordinary costs or delays will be incurred during the construction period. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are, however, not able to report that the properties are free of rot, infestation or any other structural defects. No tests were carried out to any of the services. Unless otherwise stated, we have not been able to carry out on-site measurements to verify the site and floor areas of the properties, and we have assumed that the areas shown on the documents handed to us are correct.

Currency

Unless otherwise stated, all sums stated in our valuations are in Renminbi (“RMB”) for the properties in the PRC.

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Confirmation of Independence

We hereby confirm that Cushman & Wakefield Limited and the undersigned have no pecuniary or other interests that could conflict with the proper valuations of the properties or could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion.

We enclose herewith summaries of valuations for your attention.

Yours faithfully,
For and on behalf of
Cushman & Wakefield Limited

Grace Lam
MHKIS, MRICS, R.P.S. (GP)
Senior Director
Valuation & Advisory Services, Greater China

Note: Ms. Grace Lam is a Member of the Royal Institution of Chartered Surveyors, a Member of the Hong Kong Institute of Surveyors and a Registered Professional Surveyor (General Practice). Ms. Lam has over 30 years of experience in the professional property valuation and advisory services in the Greater China region and various overseas countries. Ms. Lam has sufficient current national knowledge of the market, and the skills and understanding to undertake the valuations competently.

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SUMMARY OF VALUATIONS

	<u>No. of property</u>	<u>Market value in existing state as at the Valuation Date</u> (RMB)	<u>Market value in existing state attributable to the Group as at the Valuation Date</u> (RMB)
Group I — Property interests held by the Group for investment in the PRC	12	30,328,000,000	30,328,000,000
Group II — Property interests held by the Group for sale in the PRC	2	3,108,000,000	3,108,000,000
Group III — Property interests held by the Group under development in the PRC	1	654,000,000	654,000,000
Group IV — Property interests held by the Group for future development in the PRC	<u>2</u>	<u>3,914,000,000</u>	<u>3,914,000,000</u>
Total	<u><u>17</u></u>	<u><u>38,004,000,000</u></u>	<u><u>38,004,000,000</u></u>

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Group I — Property interests held by the Group for investment in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2026
I-1. International Production Materials Market, Main Structure, Plot C, North Side of Xuefeng West Road, Yiwu Commercial and Trade Services Cluster, Yiwu, Jinhua, Zhejiang Province, the PRC (國際生產資料市場C地塊房屋主體)	The property comprises 42 commercial buildings with a total gross floor area of 459,723.11 sq m, erected on 1 parcel of land with a site area of 186,589.19 sq m. According to the Company, the property also comprises 3,777 car parking spaces. According to the Company, the property was completed in 2023. The subject property is situated at No. 333 Kaiyun Road, Chengxi Subdistrict. Developments nearby are mainly commercial developments. According to the Company, the property is for commercial use; there are neither environmental issues and litigation dispute. The land use rights of the property have been granted for a term due to expire on 9 June 2060 for wholesale market use.	As at the Valuation Date, the property is subject to various tenancies with the latest tenancy due to expire on 5 March 2031 at a total monthly rent of approximately RMB2,050,000, exclusive of value-added tax (“VAT”) and management fee.	RMB1,850,000,000 (RENMINBI ONE BILLION EIGHT HUNDRED FIFTY MILLION) (100% interest attributable to the Group: RMB1,850,000,000)

Notes:

- (1) According to Real Estate Title Certificate No. (2024) 0032894 issued by Yiwu Municipal Commission of Planning and Natural Resources on 29 April 2024, the land use rights of the property comprising a total site area of 186,589.19 sq m for wholesale market use and the building ownership of the property with a total gross floor area of 459,723.11 sq m for wholesale market use are vested Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司).
- (2) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, *inter alia*, the following information:
 - (a) Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) has obtained the certificates of state-owned land use rights of the property. According to relevant laws and regulations of the PRC, Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) legally owns the land use rights of the property, and has the right to possess, use, lease, mortgage or dispose of the land use rights in other legal ways; and
 - (b) Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) has obtained the certificates of building ownership of the property. According to relevant laws and regulations of the PRC, Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) legally owns the building ownership of the property, and has the right to possess, use, lease, mortgage or dispose of the building ownership in other legal ways; and

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PROPERTY VALUATION REPORT

- (c)

The property is not subject to any mortgage and other encumbrances.
- (3)

Rui Wang (3 years of experience, valuer of our Hangzhou office) inspected the property on 30 March 2026.
- (4)

The status of the title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:
- Real Estate Title Certificates

Yes

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PROPERTY VALUATION REPORT

VALUATION REPORT

Group I — Property interests held by the Group for investment in the PRC

	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2026
I-2.	International Production Materials Market, Main Structure, No. 333 Kaiyun Road, Chengxi Subdistrict, Yiwu, Jinhua, Zhejiang Province, the PRC (國際生產資料市場主體)	The property comprises a commercial building with a total gross floor area of 737,592.93 sq m, erected on 1 parcel of land with a site area of 291,356.00 sq m. According to the Company, the property also comprises 6,516 car parking spaces. According to the Company, the property was completed in 2014. The subject property is situated north side of xuefeng west road. Developments nearby are mainly commercial developments. According to the Company, the property is for commercial use; there are neither environmental issues and litigation dispute. The land use rights of the property have been granted for a term due to expire on 06 May 2052 for commercial and business service use.	As at the Valuation Date, the property is subject to various tenancies with the latest tenancy due to expire on 17 July 2029 at a total monthly rent of approximately RMB5,640,000, exclusive of VAT and management fee.	RMB1,926,000,000 (RENMINBI ONE BILLION NINE HUNDRED TWENTY SIX MILLION) (100% interest attributable to the Group: RMB1,926,000,000)

Notes:

- (1) According to Real Estate Title Certificate No. (2016) 005854 issued by Yiwu Municipal Commission of Planning and Natural Resources on 23 May 2016, the land use rights of the property comprising a total site area of 291,356.00 sq m for commercial and business service use and the building ownership of the property with a total gross floor area of 737,592.93 sq m for commercial and business service use are vested Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司).
- (2) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, *inter alia*, the following information:
 - (a) Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) has obtained the certificates of state-owned land use rights of the property. According to relevant laws and regulations of the PRC, Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) legally owns the land use rights of the property, and has the right to possess, use, lease, mortgage or dispose of the land use rights in other legal ways; and
 - (b) Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) has obtained the certificates of building ownership of the property. According to relevant laws and regulations of the PRC, Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) legally owns the building ownership of the property, and has the right to possess, use, lease, mortgage or dispose of the building ownership in other legal ways; and

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- (c) The property is not subject to any mortgage and other encumbrances.
- (3) Rui Wang (3 years of experience, valuer of our Hangzhou office) inspected the property on March 30, 2026.
- (4) The status of the title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:

Real Estate Title Certificates

Yes

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Group I — Property interests held by the Group for investment in the PRC

	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2026
I-3.	Yiwu International Trade Mart District 4, Futian Subdistrict, Yiwu, Jinhua, Zhejiang Province, the PRC (義烏國際商貿城四區)	The property comprises a trade market with a total gross floor area of 999,096.24 sq m, erected on one parcel of land with a site area of 311,106 sq m. According to the Company, the property also comprises 10,318 car parking spaces. According to the Company, the subject building was completed in 2008. The subject property is situated Futian Road. Developments nearby are mainly commercial developments. According to the Company, the property is for commercial use; there are neither environmental issues and litigation dispute. The land use rights of the property have been granted for a term due to expire on 29 September 2047 for marketplace use.	As at the Valuation Date, the property is subject to various tenancies with the latest tenancy due to expire on 31 May 2030 at a total monthly rent of approximately RMB55,033,000, exclusive of VAT and management fee.	RMB8,868,000,000 (RENMINBI EIGHT BILLION EIGHT HUNDRED SIXTY EIGHT MILLION) (100% interest attributable to the Group: RMB8,868,000,000)

Notes:

- (1) According to the Real Estate Title Certificate No. (2017) 0020447 issued by Yiwu Municipal Commission of Planning and Natural Resources on 30 June 2017, the land use rights of the property comprising a total site area of 311,106 sq m for marketplace use and the building ownership of the property with a total gross floor area of 999,096.24 sq m for commercial operating use are vested in Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司).
- (2) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, *inter alia*, the following information:
 - (a) Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) has obtained the certificates of state-owned land use rights of the property. According to relevant laws and regulations of the PRC, Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) legally owns the land use rights of the property, and has the right to possess, use, lease, mortgage or dispose of the land use rights in other legal ways; and
 - (b) Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) has obtained the certificates of building ownership of the property. According to relevant laws and regulations of the PRC, Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) legally owns the building ownership of the property, and has the right to possess, use, lease, mortgage or dispose of the building ownership in other legal ways; and

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- (c) The property is not subject to any mortgage and other encumbrances.
- (3) Jean Jin (9 years of experience, Manager of our Hangzhou office) inspected the property on 16 March 2026.
- (4) The status of the title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:

Real Estate Title Certificates

Yes

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PROPERTY VALUATION REPORT

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Group I — Property interests held by the Group for investment in the PRC

	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2026
I-4.	Yiwu International Trade Mart District 5, Futian Subdistrict, Yiwu, Jinhua, Zhejiang Province, the PRC (義烏國際商貿城五區)	The property comprises a trade market with a total gross floor area of 587,375.11 sq m, erected on one parcel of land with a site area of 177,447 sq m. According to the Company, the property also comprises 4,832 car parking spaces. According to the Company, the subject building was completed in 2011. The subject property is situated Chunfeng Avenue. Developments nearby are mainly commercial developments. According to the Company, the property is for commercial use; there are neither environmental issues and litigation dispute. The land use rights of the property have been granted for a term due to expire on 29 September 2047 for commercial use.	As at the Valuation Date, the property is subject to various tenancies with the latest tenancy due to expire on 17 October 2029 at a total monthly rent of approximately RMB11,840,000, exclusive of VAT and management fee.	RMB1,875,000,000 (RENMINBI ONE BILLION EIGHT HUNDRED SEVENTY FIVE MILLION) (100% interest attributable to the Group: RMB1,875,000,000)

Notes:

- (1) According to the Real Estate Title Certificate No. (2015) 0002581 issued by Yiwu Municipal Commission of Planning and Natural Resources on 26 August 2015, the land use rights of the property comprising a total site area of 177,447 sq m for commercial use and the building ownership of the property with a total gross floor area of 587,375.11 sq m for commercial operating use are vested in Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司).
- (2) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, *inter alia*, the following information:
 - (a) Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) has obtained the certificates of state-owned land use rights of the property. According to relevant laws and regulations of the PRC, Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) legally owns the land use rights of the property, and has the right to possess, use, lease, mortgage or dispose of the land use rights in other legal ways; and
 - (b) Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) has obtained the certificates of building ownership of the property. According to relevant laws and regulations of the PRC, Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) legally owns the building ownership of the property, and has the right to possess, use, lease, mortgage or dispose of the building ownership in other legal ways; and

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- (c)

The property is not subject to any mortgage and other encumbrances.
- (3)

Jean Jin (9 years of experience, Manager of our Hangzhou office) inspected the property on 16 March 2026.
- (4)

The status of the title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:
- Real Estate Title Certificates

Yes

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Group I — Property interests held by the Group for investment in the PRC

	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2026
I-5.	Yiwu International Trade Mart District 1, Futian Subdistrict, Yiwu, Jinhua, Zhejiang Province, the PRC (義烏國際商貿城一區)	The property comprises a trade market with a total gross floor area of 571,427.51 sq m, erected on 1 parcel of land with a site area of 267,378.16 sq m. According to the Company, the property also comprises 7,290 car parking spaces. According to the Company, the properties were completed in 2002 and 2015. The subject property is situated at Plot F, Futian Market Park Area. Developments nearby are mainly commercial developments. According to the Company, the property is for commercial use; there are neither environmental issues and litigation dispute. The land use rights of the property have been granted for a term due to expire on 06 May 2052 for wholesale and retail use.	As at the Valuation Date, the property is subject to various tenancies with the latest tenancy due to expire on 19 September 2030 at a total monthly rent of approximately RMB37,670,000, exclusive of VAT and management fee.	RMB6,095,000,000 (RENMINBI SIX BILLION NINETY FIVE MILLION) (100% interest attributable to the Group: RMB6,095,000,000)

Notes:

- (1) According to Real Estate Title Certificate No. (2016) 0016746 issued by Yiwu Municipal Commission of Planning and Natural Resources on 9 September 2016, the land use rights of the property comprising a total site area of 267,378.16 sq m for wholesale and retail use and the building ownership of the property with a total gross floor area of 571,427.51 sq m for commercial operating use are vested Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司).
- (2) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, *inter alia*, the following information:
 - (a) Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) has obtained the certificates of state-owned land use rights of the property. According to relevant laws and regulations of the PRC, Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) legally owns the land use rights of the property, and has the right to possess, use, lease, mortgage or dispose of the land use rights in other legal ways; and

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- (b) Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) has obtained the certificates of building ownership of the property. According to relevant laws and regulations of the PRC, Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) legally owns the building ownership of the property, and has the right to possess, use, lease, mortgage or dispose of the building ownership in other legal ways; and
- (c) The property is not subject to any mortgage and other encumbrances.
- (3) Rui Wang (3 years of experience, valuer of our Hangzhou office) inspected the property on 30 March 2026.
- (4) The status of the title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:

Real Estate Title Certificates

Yes

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Group I — Property interests held by the Group for investment in the PRC

	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2026								
I-6.	Global Digital Trade Center, No. 888, Chunfeng Avenue, Yiwu, Jinhua, Zhejiang Province, the PRC (全球數貿中心)	The property, as a part of a comprehensive development, comprises two buildings with a total gross floor area of 413,813.59 sq m. The development erected on a parcel of land with a total site area of 107,202.58 sq m. Details as follows: <table><tr><th>Type</th><th>Gross floor area (sq m)</th></tr><tr><td>Trade Market</td><td>406,607.60</td></tr><tr><td>Ancillary</td><td>7,205.99</td></tr><tr><td>Total</td><td>413,813.59</td></tr></table>	Type	Gross floor area (sq m)	Trade Market	406,607.60	Ancillary	7,205.99	Total	413,813.59	As at the Valuation Date, the property is subject to various tenancies with the latest tenancy due to expire on 30 April 2031 at a total monthly rent of approximately RMB22,670,000, exclusive of VAT and management fee.	RMB4,420,000,000 (RENMINBI FOUR BILLION FOUR HUNDRED TWENTY MILLION) (100% interest attributable to the Group: RMB4,420,000,000)
Type	Gross floor area (sq m)											
Trade Market	406,607.60											
Ancillary	7,205.99											
Total	413,813.59											
		According to the Company, the subject building was completed in 2025. The subject property is situated No. 888, Chunfeng Avenue. Developments nearby are mainly commercial developments. According to the Company, the property is for commercial use; there are neither environmental issues and litigation dispute. The land use rights of the property have been granted for a term due to expire on 17 October 2062 for commercial and financial use.										

Notes:

- (1) According to Real Estate Title Certificate No. (2026) 0008572 issued by Yiwu Municipal Commission of Planning and Natural Resources on 26 March 2026, the land use rights of the property comprising a total site area of 107,202.58 sq m for commercial and financial use and the building ownership of the property with a total gross floor area of 497,632.41 sq m for commercial and financial use are vested in Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司).

As informed by the Group, the property is portion of the above certificate.

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- (2) According to Grant Contract of State-owned Land Use Rights No. 330782-2022-A21-117 entered into between Yiwu Municipal Bureau of Natural Resources and Planning and Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) on 31 August 2022, the land use rights of the property comprising a total site area of 374,379.36 sq m have been contracted to be granted to Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) for commercial use.

As informed by the Group, the property is portion of the above grant contract.

- (3) According to Planning Permit for Construction Works No. 330782202310026 issued by Yiwu Municipal Bureau of Natural Resources and Planning on 24 July 2023 (updated on 23 May 2025), the construction project is situated in Southeast of the Junction of Chunfeng Avenue and Chengxin Avenue. The total planned building area is 955,143.38 sq m.

As informed by the Group, the property is portion of the above grant contract.

- (4) According to two Permits for Commencement of Construction Works No. 330782202307280201, 330782202308090101 issued by the Yiwu Municipal Commission of Housing and Urban-Rural Development, the construction works of the development with a total gross floor area of approximately 587,663.53 sq m are in compliance with the requirements for works commencement and have been permitted.

- (5) According to two Completion and Acceptance Certificates for Construction Works No. 32200020250731101 and 32200020250731100 dated 31 July 2025, the property has been completed with a total gross floor area of 583,319.96 sq m.

- (6) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, *inter alia*, the following information:

- (a) Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) has obtained the certificates of state-owned land use rights of the property. According to relevant laws and regulations of the PRC, Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) legally owns the land use rights of the property, and has the right to possess, use, lease, mortgage or dispose of the land use rights in other legal ways; and

- (b) Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) has obtained the certificates of building ownership of the property. According to relevant laws and regulations of the PRC, Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) legally owns the building ownership of the property, and has the right to possess, use, lease, mortgage or dispose of the building ownership in other legal ways; and

- (c) The property is not subject to any mortgage and other encumbrances.

- (7) Lindsay Zou (14 years of experience, Associate Director of our Hangzhou office) inspected the property on 3 April 2026.

- (8) The status of the title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:

Real Estate Title Certificate	Yes
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Completion and Acceptance Certificate	Yes

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PROPERTY VALUATION REPORT

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Group I — Property interests held by the Group for investment in the PRC

	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2026								
I-7.	H1–H5 Apartments and Hotel of Yiwu Global Digital Trade Center, Southeast of the Junction of Chunfeng Avenue and Chengxin Avenue, Yiwu, Jinhua, Zhejiang Province, the PRC (全球數貿中心H1–H5公寓·酒店)	The property, as a part of a comprehensive development, comprises five buildings with a total gross floor area of 83,818.82 sq m. The development erected on a parcel of land with a total site area of 107,202.58 sq m. Details as follows: <table><thead><tr><th>Type</th><th>Gross floor area (sq m)</th></tr></thead><tbody><tr><td>Apartment</td><td>70,683.01</td></tr><tr><td>Hotel</td><td>13,135.811</td></tr><tr><td>Total</td><td>83,818.82</td></tr></tbody></table>	Type	Gross floor area (sq m)	Apartment	70,683.01	Hotel	13,135.811	Total	83,818.82	As at the Valuation Date, apartment and retail portion of the property is subject to various tenancies with the latest tenancy due to expire on 27 February 2031 at a total monthly rent of approximately RMB1,860,000, exclusive of VAT and management fee. Hotel portion of the property was operated by the Group as a hotel.	RMB667,000,000 (RENMINBI SIX HUNDRED SIXTY SEVEN MILLION) (100% interest attributable to the Group: RMB667,000,000)
Type	Gross floor area (sq m)											
Apartment	70,683.01											
Hotel	13,135.811											
Total	83,818.82											
		According to the Company, the subject buildings were completed in 2025. The subject property is situated Southeast of the Junction of Chunfeng Avenue and Chengxin Avenue. Developments nearby are mainly commercial developments. According to the Company, the property is for commercial use; there are neither environmental issues and litigation dispute. The land use rights of the property have been granted for a term due to expire on 17 October 2062 for commercial and financial use.										

Notes:

- (1) According to Real Estate Title Certificate No. (2026) 0008572 issued by Yiwu Municipal Commission of Planning and Natural Resources on 26 March 2026, the land use rights of the property comprising a total site area of 107,202.58 sq m for commercial and financial use and the building ownership of the property with a total gross floor area of 497,632.41 sq m for commercial and financial use are vested Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司).

As informed by the Group, the property is portion of the above certificate.

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- (2) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, *inter alia*, the following information:
- (a) Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) has obtained the certificates of state-owned land use rights of the property. According to relevant laws and regulations of the PRC, Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) legally owns the land use rights of the property, and has the right to possess, use, lease, mortgage or dispose of the land use rights in other legal ways; and
 - (b) Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) has obtained the certificates of building ownership of the property. According to relevant laws and regulations of the PRC, Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) legally owns the building ownership of the property, and has the right to possess, use, lease, mortgage or dispose of the building ownership in other legal ways; and
 - (c) The property is not subject to any mortgage and other encumbrances.
- (3) Lindsay Zou (14 years of experience, Associate Director of our Hangzhou office) inspected the property on 3 April 2026.
- (4) The status of the title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:

Real Estate Title Certificate

Yes

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Group I — Property interests held by the Group for investment in the PRC

	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2026
I-8.	Floor 2&3 of Commercial street of Yiwu Global Digital Trade Center, Southeast of the Junction of Chunfeng Avenue and Chengxin Avenue, Yiwu, Jinhua, Zhejiang Province, the PRC (全球數貿中心商業街2、3樓)	The property, as a part of a comprehensive development, comprises two floors of two retail buildings with a total gross floor area of 20,455.41 sq m. The development erected on a parcel of land with a total site area of 374,379.36 sq m. According to the Company, the subject building was completed in 2025. The subject property is situated Southeast of the Junction of Chunfeng Avenue and Chengxin Avenue. Developments nearby are mainly commercial developments. According to the Company, the property is for commercial use; there are neither environmental issues and litigation dispute. The land use rights of the property have been granted for a term due to expire on 17 October 2062 for commercial use.	As at the Valuation Date, the property is subject to various tenancies with the latest tenancy due to expire on 31 January 2031 at a total monthly rent of approximately RMB280,000, exclusive of VAT and management fee.	RMB215,000,000 (RENMINBI TWO HUNDRED FIFTEEN MILLION) (100% interest attributable to the Group: RMB215,000,000)

Notes:

- (1) According to Grant Contract of State-owned Land Use Rights No. 330782-2022-A21-117 entered into between Yiwu Municipal Bureau of Natural Resources and Planning and Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) on 31 August 2022, the land use rights of the property comprising a total site area of 374,379.36 sq m have been contracted to be granted to Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) for commercial and financial use.

As informed by the Group, the property is portion of the above grant contract.

- (2) According to Planning Permit for Construction Works No. 330782202310026 issued by Yiwu Municipal Bureau of Natural Resources and Planning on 24 July 2023 (updated on 23 May 2025), the construction project is situated in Southeast of the Junction of Chunfeng Avenue and Chengxin Avenue. The total planned building area is 955,143.38 sq m.

As informed by the Group, the property is portion of the above grant contract.

- (3) According to two Permits for Commencement of Construction Works No.330782202308090301, 330782202308090201 issued by the Yiwu Municipal Commission of Housing and Urban-Rural Development, the construction works of the development with a total gross floor area of approximately 360,326.44 sq m are in compliance with the requirements for works commencement and have been permitted.

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- As informed by the Group, the property is portion of the above grant contract.
- (4) According to two Completion and Acceptance Certificates for Construction Works No. 32200020251219172 and 32200020251219175 dated 19 December 2025, the property has been completed with a total gross floor area of 368,480.28 sq m.
- As informed by the Group, the property is portion of the above grant contract.
- (5) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, *inter alia*, the following information:
- (a) Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) holds the entirety of the land use rights totalling 374,379.36 sq m and has the right to possess, use, lease, mortgage or dispose of the land use rights in other legal ways; and
- (b) Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) has lawfully obtained the Planning Permit for Construction Works and Permit for Construction Works; and
- (c) The property is not subject to any mortgage and other encumbrances.
- (6) Lindsay Zou (14 years of experience, Associate Director of our Hangzhou office) inspected the property on 3 April 2026.
- (7) The status of the title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:
- | | |
|---|-----|
| Grant Contract of State-owned Land Use Rights | Yes |
| Planning Permit for Construction Works | Yes |
| Permit for Commencement of Construction Works | Yes |
| Completion and Acceptance Certificate | Yes |

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Group I — Property interests held by the Group for investment in the PRC

	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2026																
I-9.	S2, Yiwu Cross-border E-commerce Logistics Park, No. 505 Shengda South Street, Choujiang Subdistrict, Yiwu, Jinhua, Zhejiang Province, the PRC (跨境電商物流園S2倉儲、綜合樓)	The property comprises 6 buildings with a total gross floor area of 330,799.06 sq m, erected on one parcel of land with a site area of 111,035.33 sq m. Details as follows: <table><thead><tr><th>Type</th><th>Gross floor area (sq m)</th></tr></thead><tbody><tr><td>Warehouse A1</td><td>75,993.29</td></tr><tr><td>Warehouse A2</td><td>75,993.29</td></tr><tr><td>Warehouse B1</td><td>75,993.29</td></tr><tr><td>Warehouse B2</td><td>75,993.29</td></tr><tr><td>Office</td><td>13,662.83</td></tr><tr><td>Dormitory</td><td>13,163.07</td></tr><tr><td>Total</td><td>330,799.06</td></tr></tbody></table>	Type	Gross floor area (sq m)	Warehouse A1	75,993.29	Warehouse A2	75,993.29	Warehouse B1	75,993.29	Warehouse B2	75,993.29	Office	13,662.83	Dormitory	13,163.07	Total	330,799.06	As at the Valuation Date, the property is subject to various tenancies with the latest tenancy due to expire on 4 February 2029 at a total monthly rent of approximately RMB3,210,000, exclusive of VAT and management fee.	RMB816,000,000 (RENMINBI EIGHT HUNDRED SIXTEEN MILLION) (100% interest attributable to the Group: RMB816,000,000)
Type	Gross floor area (sq m)																			
Warehouse A1	75,993.29																			
Warehouse A2	75,993.29																			
Warehouse B1	75,993.29																			
Warehouse B2	75,993.29																			
Office	13,662.83																			
Dormitory	13,163.07																			
Total	330,799.06																			
		According to the Company, the property also comprises 573 car parking spaces. According to the Company, the subject building was completed in 2023. The subject property is situated at No. 505 Shengda South Street. Developments nearby are mainly logistics and industrial developments. According to the Company, the property is for industrial use; there are neither environmental issues and litigation dispute. The land use rights of the property have been granted for a term due to expire on 12 April 2072 for warehouse use.																		

Notes:

(1) According to Real Estate Title Certificates No. (2024) 0039422 issued by Yiwu Municipal Commission of Planning and Natural Resources on 6 June 2024, the land use rights of the property comprising a total site area of 111,035.33 sq m for warehouse use and the building ownership of the property with a total gross floor area of 330,799.06 sq m for warehouse use are vested in Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司).

(2) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, *inter alia*, the following information:

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- (a) Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) has obtained the certificates of state-owned land use rights of the property. According to relevant laws and regulations of the PRC, Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) legally owns the land use rights of the property, and has the right to possess, use, lease, mortgage or dispose of the land use rights in other legal ways; and
 - (b) Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) has obtained the certificates of building ownership of the property. According to relevant laws and regulations of the PRC, Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) legally owns the building ownership of the property, and has the right to possess, use, lease, mortgage or dispose of the building ownership in other legal ways; and
 - (c) The property is not subject to any mortgage and other encumbrances.
- (3) Jean Jin (9 years of experience, Manager of our Hangzhou office) inspected the property on 13 March 2026.
- (4) The status of the title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:

Real Estate Title Certificates

Yes

APPENDIX III

PROPERTY VALUATION REPORT

VALUATION REPORT

Group I — Property interests held by the Group for investment in the PRC

	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2026								
I-10.	S3, Yiwu Cross-border E-commerce Logistics Park, Choujiang Subdistrict, Yiwu, Jinhua, Zhejiang Province, the PRC (跨境電商物流園S3綜合樓)	The property comprises 2 buildings with a total gross floor area of 24,807.56 sq m, erected on one parcel of land with a site area of 3,150.42 sq m. Details as follows: <table><tr><th>Type</th><th>Gross floor area (sq m)</th></tr><tr><td>Office</td><td>12,114.68</td></tr><tr><td>Dormitory</td><td>12,692.88</td></tr><tr><td>Total</td><td>24,807.56</td></tr></table>	Type	Gross floor area (sq m)	Office	12,114.68	Dormitory	12,692.88	Total	24,807.56	As at the Valuation Date, the property is vacant.	RMB105,000,000 (RENMINBI ONE HUNDRED FIVE MILLION) (100% interest attributable to the Group: RMB105,000,000)
Type	Gross floor area (sq m)											
Office	12,114.68											
Dormitory	12,692.88											
Total	24,807.56											
		According to the Company, the property also comprises 1,639 car parking spaces. According to the Company, the subject building was completed in 2024. The subject property is situated at S3, Yiwu Cross-border E-commerce Logistics Park. Developments nearby are mainly logistics and industrial developments. According to the Company, the property is for industrial use; there are neither environmental issues and litigation dispute. The land use rights of the property have been granted for a term due to expire on 12 April 2072 for warehouse use.										

Notes:

- (1) According to the Real Estate Registration Information Inquiry Record issued by Yiwu Municipal Natural Resources and Real Estate Registration Center on 5 September 2025, the land use rights of the property with a total site area of 3,150.42 sq m for warehouse use and the building ownership of the property with a total gross floor area of 24,807.56 sq m for office and dormitory use, located at Building 1, Yiwu Cross-border E-commerce Logistics Park, Choujiang Subdistrict, under Real Estate Title Certificate No. (2025) 0048309, are vested in Yiwu Shangbo Yunchang Enterprise Management Co., Ltd. (義烏商博雲倉企業管理有限公司) (wholly-owned subsidiary of the Company).

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- (2) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, *inter alia*, the following information:
- (a) Yiwu Shangbo Yunchang Enterprise Management Co., Ltd. (義烏商博雲倉企業管理有限公司) has obtained the certificates of state-owned land use rights of the property. According to relevant laws and regulations of the PRC, Yiwu Shangbo Yunchang Enterprise Management Co., Ltd. (義烏商博雲倉企業管理有限公司) legally owns the land use rights of the property, and has the right to possess, use, lease, mortgage or dispose of the land use rights in other legal ways; and
 - (b) Yiwu Shangbo Yunchang Enterprise Management Co., Ltd. (義烏商博雲倉企業管理有限公司) has obtained the certificates of building ownership of the property. According to relevant laws and regulations of the PRC, Yiwu Shangbo Yunchang Enterprise Management Co., Ltd. (義烏商博雲倉企業管理有限公司) legally owns the building ownership of the property, and has the right to possess, use, lease, mortgage or dispose of the building ownership in other legal ways; and
 - (c) The property is not subject to any mortgage and other encumbrances.
- (3) Jean Jin (9 years of experience, Manager of our Hangzhou office) inspected the property on 13 March 2026.
- (4) The status of the title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:

Real Estate Title Certificates

Yes

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VALUATION REPORT

Group I — Property interests held by the Group for investment in the PRC

	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2026								
I-11.	International Digital Logistics Market, No. 1511, Yangguang Avenue, Futian Subdistrict, Yiwu, Jinhua, Zhejiang Province, the PRC (義烏國際數字物流市場)	The property comprises 7 building with a total gross floor area of 390,713.48 sq m, erected on 1 parcel of land with a site area of 149,255.46 sq m. Details as follows: <table><tr><th>Type</th><th>Gross floor area (sq m)</th></tr><tr><td>Warehouse</td><td>385,514.79</td></tr><tr><td>Office</td><td>5,198.69</td></tr><tr><td>Total</td><td>390,713.48</td></tr></table>	Type	Gross floor area (sq m)	Warehouse	385,514.79	Office	5,198.69	Total	390,713.48	As at the Valuation Date, the leased portions of the property are due to expire on 31 December 2026 at a total monthly rent of approximately RMB3,560,000, exclusive of VAT and management fee.	RMB833,000,000 (RENMINBI EIGHT HUNDRED THIRTY THREE MILLION) (100% interest attributable to the Group: RMB833,000,000)
Type	Gross floor area (sq m)											
Warehouse	385,514.79											
Office	5,198.69											
Total	390,713.48											
		According to the Company, the property also comprises 1,710 car parking spaces. According to the Company, the property was completed in 2024. The subject property is situated at No. 1511, Yangguang Avenue. Developments nearby are mainly commercial developments. According to the Company, the property is for warehouse use; there are neither environmental issues and litigation dispute. The land use rights of the property have been granted for a term due to expire on 14 Jun 2072 for warehouse use.										

Notes:

- (1) According to Real Estate Title Certificate No. (2025) 0019407 issued by Yiwu Municipal Commission of Planning and Natural Resources on 22 April 2025, the land use rights of the property comprising a total site area of 149,255.46 sq m for warehouse use and the building ownership of the property with a total gross floor area of 390,713.48 sq m for warehouse use are vested Yiwu China Commodities City Logistics and Warehousing Co., Ltd. (義烏中國小商品城物流倉儲有限公司) (wholly-owned subsidiary of the Company).

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- (2) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, *inter alia*, the following information:
- (a) Yiwu China Commodities City Logistics and Warehousing Co., Ltd. (義烏中國小商品城物流倉儲有限公司) has obtained the certificates of state-owned land use rights of the property. According to relevant laws and regulations of the PRC, Yiwu China Commodities City Logistics and Warehousing Co., Ltd. (義烏中國小商品城物流倉儲有限公司) legally owns the land use rights of the property, and has the right to possess, use, lease, mortgage or dispose of the land use rights in other legal ways; and
 - (b) Yiwu China Commodities City Logistics and Warehousing Co., Ltd. (義烏中國小商品城物流倉儲有限公司) has obtained the certificates of building ownership of the property. According to relevant laws and regulations of the PRC, Yiwu China Commodities City Logistics and Warehousing Co., Ltd. (義烏中國小商品城物流倉儲有限公司) legally owns the building ownership of the property, and has the right to possess, use, lease, mortgage or dispose of the building ownership in other legal ways; and
 - (c) The property is not subject to any mortgage and other encumbrances.
- (3) Rui Wang (3 years of experience, valuer of our Hangzhou office) inspected the property on 30 March 2026.
- (4) The status of the title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:

Real Estate Title Certificates

Yes

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Group I — Property interests held by the Group for investment in the PRC

	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2026																		
I-12.	Yiwu Comprehensive Bonded Zone, Yiwu International Inland Port Logistics Park, Yiwu, Jinhua, Zhejiang Province, the PRC (義烏綜合保稅區)	The property comprises 27 buildings with a total gross floor area of 1,046,764.81 sq m, erected on three parcels of land with a site area of 608,761.09 sq m in total. Details as follows: <table><tr><th>Type</th><th>Gross floor area (sq m)</th></tr><tr><td colspan="2">Area A</td></tr><tr><td>Warehouse</td><td>235,349.52</td></tr><tr><td>Office</td><td>31,456.28</td></tr><tr><td colspan="2">Area B</td></tr><tr><td>Warehouse</td><td>449,775.81</td></tr><tr><td colspan="2">Area C</td></tr><tr><td>Warehouse</td><td>330,183.20</td></tr><tr><td>Total</td><td>1,046,764.81</td></tr></table>	Type	Gross floor area (sq m)	Area A		Warehouse	235,349.52	Office	31,456.28	Area B		Warehouse	449,775.81	Area C		Warehouse	330,183.20	Total	1,046,764.81	As at the Valuation Date, the property is subject to various tenancies with the latest tenancy due to expire on 31 December 2030 at a total monthly rent of approximately RMB8,450,000, exclusive of VAT and management fee.	RMB2,658,000,000 (RENMINBI TWO BILLION SIX HUNDRED FIFTY EIGHT MILLION) (100% interest attributable to the Group: RMB2,658,000,000)
Type	Gross floor area (sq m)																					
Area A																						
Warehouse	235,349.52																					
Office	31,456.28																					
Area B																						
Warehouse	449,775.81																					
Area C																						
Warehouse	330,183.20																					
Total	1,046,764.81																					
		According to the Company, the property also comprises 332 car parking spaces. According to the Company, the property was completed in phases between 2021 to 2023. The subject property is situated at Yiwu International Inland Port Logistics Park. Developments nearby are mainly industrial developments. According to the Company, the property is for industrial use; there are neither environmental issues and litigation dispute. The land use rights of the property have been granted for a term due to expire on 22 August 2061, 9 June 2070 and 17 August 2070 for industrial use and warehouse use respectively.																				

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PROPERTY VALUATION REPORT

Notes:

- (1)

According to Real Estate Title Certificate No. (2023) 0065194, No. (2023) 0026466 and No. (2023) 0037657 issued by Yiwu Municipal Commission of Planning and Natural Resources on 13 November 2023, 12 June 2023 and 26 July 2023 respectively, the land use rights of the property comprising a total site area of 608,761.09 sq m for industrial use and the building ownership of the property with a total gross floor area of 1,046,764.81 sq m for industrial use are vested Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司).
- (2)

We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, *inter alia*, the following information:

(a)

Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) has obtained the certificates of state-owned land use rights of the property. According to relevant laws and regulations of the PRC, Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) legally owns the land use rights of the property, and has the right to possess, use, lease, mortgage or dispose of the land use rights in other legal ways; and

(b)

Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) has obtained the certificates of building ownership of the property. According to relevant laws and regulations of the PRC, Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) legally owns the building ownership of the property, and has the right to possess, use, lease, mortgage or dispose of the building ownership in other legal ways; and

(c)

The property is not subject to any mortgage and other encumbrances.
- (3)

Maggie (3 years of experience, senior valuer of our Hangzhou office) inspected the property on 16 March 2026.
- (4)

The status of the title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:

Real Estate Title Certificates	Yes

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VALUATION REPORT

Group II — Property interests held by the Group for sale in the PRC

	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 28 February 2026</u>								
II-13.	Floor 1 of Retail and T3–T7 Office of Yiwu Global Digital Trade Center, Southeast of the Junction of Chunfeng Avenue and Chengxin Avenue, Yiwu, Jinhua, Zhejiang Province, the PRC (全球數貿中心商業街、T3–T7辦公)	The property, as a part of a comprehensive development, comprises 5 buildings with a total gross floor area of 168,392.48 sq m. The development erected on a parcel of land with a total site area of 107,202.58 sq m. Details as follows: <table><thead><tr><th><u>Type</u></th><th><u>Planned Gross floor area (sq m)</u></th></tr></thead><tbody><tr><td>Retail 1F</td><td>17,654.95</td></tr><tr><td>T3–T7 Office</td><td>150,737.53</td></tr><tr><td>Total</td><td><u>168,392.48</u></td></tr></tbody></table>	<u>Type</u>	<u>Planned Gross floor area (sq m)</u>	Retail 1F	17,654.95	T3–T7 Office	150,737.53	Total	<u>168,392.48</u>	The property is completed and held for sale.	RMB2,752,000,000 (RENMINBI TWO BILLION SEVEN HUNDRED FIFTY TWO MILLION) (100% interest attributable to the Group: RMB2,752,000,000)
<u>Type</u>	<u>Planned Gross floor area (sq m)</u>											
Retail 1F	17,654.95											
T3–T7 Office	150,737.53											
Total	<u>168,392.48</u>											
		According to the Company, the subject building was expected to be completed in 2028. The subject property is situated Southeast of the Junction of Chunfeng Avenue and Chengxin Avenue. Developments nearby are mainly commercial developments. According to the Company, the property is for commercial use; there are neither environmental issues and litigation dispute. The land use rights of the property have been granted for a term due to expire on 16 October 2062 for commercial and financial use.										

Notes:

- (1) According to Grant Contract of State-owned Land Use Rights No. 330782-2022-A21-117 entered into between Yiwu Municipal Bureau of Natural Resources and Planning and Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) on 31 August 2022, the land use rights of the property comprising a total site area of 374,379.36 sq m have been contracted to be granted to Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) for commercial and financial use.

As informed by the Group, the property is portion of the above grant contract.

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- (2) According to Planning Permit for Construction Works No. 330782202310026 issued by Yiwu Municipal Bureau of Natural Resources and Planning on 24 July 2023 (updated on 23 May 2025), the construction project is situated in Southeast of the Junction of Chunfeng Avenue and Chengxin Avenue. The total planned building area is 955,143.38 sq m.

As informed by the Group, the property is portion of the above grant contract.

- (3) According to two Permits for Commencement of Construction Works No.330782202308090301, 330782202308090201 issued by the Yiwu Municipal Commission of Housing and Urban-Rural Development, the construction works of the development with a total gross floor area of approximately 360,326.44 sq m are in compliance with the requirements for works commencement and have been permitted.

As informed by the Group, the property is portion of the above grant contract.

- (4) According to three Completion and Acceptance Certificates for Construction Works No. 32200020251219172, 32200020251224175 dated 19 December 2025, the property has been completed with a total gross floor area of 368,480.28 sq m.

As informed by the Group, the property is portion of the above grant contract.

- (5) According to the information provided by the Group, various units have been committed to be sold for a consideration of approximately RMB2,671,000,000. In the course of our valuation, we have included such committed portion and taken into account such consideration in our valuation.

- (6) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, *inter alia*, the following information:

- (a)

Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) holds the entirety of the land use rights totalling 374,379.36 sq m and has the right to possess, use, lease, mortgage or dispose of the land use rights in other legal ways; and
- (b)

Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) has lawfully obtained the Planning Permit for Construction Works and Permit for Construction Works; and
- (c)

The property is not subject to any mortgage and other encumbrances.

- (7) Lindsay Zou (14 years of experience, Associate Director of our Hangzhou office) inspected the property on 3 April 2026.

- (8) The status of the title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:

Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes
Completion and Acceptance Certificate	Yes

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Group II — Property interests held by the Group for sale in the PRC

	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2026								
II-14.	S3, Yiwu Cross-border E-commerce Logistics Park, Choujiang Subdistrict, Yiwu,Jinhua, Zhejiang Province, the PRC (跨境電商物流園S3倉儲)	The property comprises 2 buildings with a total gross floor area of 140,658.11 sq m, erected on one parcel of land with a site area of 21,706.68 sq m. Details as follows: <table><tr><th>Type</th><th>Gross floor area (sq m)</th></tr><tr><td>Warehouse Building 6</td><td>70,260.99</td></tr><tr><td>Warehouse Building 8</td><td>70,397.12</td></tr><tr><td>Total</td><td>140,658.11</td></tr></table>	Type	Gross floor area (sq m)	Warehouse Building 6	70,260.99	Warehouse Building 8	70,397.12	Total	140,658.11	As at the Valuation Date, the property is completed and held for sale.	RMB356,000,000 (RENMINBI THREE HUNDRED FIFTY SIX MILLION) (100% interest attributable to the Group: RMB356,000,000)
Type	Gross floor area (sq m)											
Warehouse Building 6	70,260.99											
Warehouse Building 8	70,397.12											
Total	140,658.11											
		According to the Company, the subject building was completed in 2024. The subject property is situated at S3, Yiwu Cross-border E-commerce Logistics Park. Developments nearby are mainly logistics and industrial developments. According to the Company, the property is for industrial use; there are neither environmental issues and litigation dispute. The land use rights of the property have been granted for a term due to expire on 12 April 2072 for warehouse use.										

Notes:

- (1) According to the Real Estate Registration Information Inquiry Record issued by Yiwu Municipal Natural Resources and Real Estate Registration Center on 5 September 2025, the land use rights of the property with a total site area of 3,635.84 sq m for warehouse use and the building ownership of the property with a total gross floor area of 25,996.89 sq m for warehouse use, located at No.1, Building 6, Yiwu Cross-border E-commerce Logistics Park, Choujiang Subdistrict, under Real Estate Title Certificate No. (2025) 0048311, are vested in Yiwu Shangbo Yunchang Enterprise Management Co., Ltd. (義烏商博雲倉企業管理有限公司) (wholly-owned subsidiary of the Company).

According to the Real Estate Registration Information Inquiry Record issued by Yiwu Municipal Natural Resources and Real Estate Registration Center on 5 September 2025, the land use rights of the property with a total site area of 3,581.66 sq m for warehouse use and the building ownership of the property with a total gross floor area of 21,892.69 sq m for

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warehouse use, located at No.2, Building 6, Yiwu Cross-border E-commerce Logistics Park, Choujiang Subdistrict, under Real Estate Title Certificate No. (2025) 0048312, are vested in Yiwu Shangbo Yunchang Enterprise Management Co., Ltd. (義烏商博雲倉企業管理有限公司).

According to the Real Estate Registration Information Inquiry Record issued by Yiwu Municipal Natural Resources and Real Estate Registration Center on 5 September 2025, the land use rights of the property with a total site area of 3,635.84 sq m for warehouse use and the building ownership of the property with a total gross floor area of 22,371.41 sq m for warehouse use, located at No.3, Building 6, Yiwu Cross-border E-commerce Logistics Park, Choujiang Subdistrict, under Real Estate Title Certificate No. (2025) 0048313, are vested in Yiwu Shangbo Yunchang Enterprise Management Co., Ltd. (義烏商博雲倉企業管理有限公司).

According to the Real Estate Registration Information Inquiry Record issued by Yiwu Municipal Natural Resources and Real Estate Registration Center on 5 September 2025, the land use rights of the property with a total site area of 3,635.84 sq m for warehouse use and the building ownership of the property with a total gross floor area of 26,011.71 sq m for warehouse use, located at No.1, Building 8, Yiwu Cross-border E-commerce Logistics Park, Choujiang Subdistrict, under Real Estate Title Certificate No. (2025) 0048314, are vested in Yiwu Shangbo Yunchang Enterprise Management Co., Ltd. (義烏商博雲倉企業管理有限公司).

According to the Real Estate Registration Information Inquiry Record issued by Yiwu Municipal Natural Resources and Real Estate Registration Center on 5 September 2025, the land use rights of the property with a total site area of 3,581.66 sq m for warehouse use and the building ownership of the property with a total gross floor area of 21,999.24 sq m for warehouse use, located at No.2, Building 8, Yiwu Cross-border E-commerce Logistics Park, Choujiang Subdistrict, under Real Estate Title Certificate No. (2025) 0048315, are vested in Yiwu Shangbo Yunchang Enterprise Management Co., Ltd. (義烏商博雲倉企業管理有限公司).

According to the Real Estate Registration Information Inquiry Record issued by Yiwu Municipal Natural Resources and Real Estate Registration Center on 5 September 2025, the land use rights of the property with a total site area of 3,635.84 sq m for warehouse use and the building ownership of the property with a total gross floor area of 22,386.17 sq m for warehouse use, located at No.3, Building 8, Yiwu Cross-border E-commerce Logistics Park, Choujiang Subdistrict, under Real Estate Title Certificate No. (2025) 0048316, are vested in Yiwu Shangbo Yunchang Enterprise Management Co., Ltd. (義烏商博雲倉企業管理有限公司).

- (2) According to the information provided by the Group, various units have been committed to be sold for a consideration of approximately RMB178,725,000. In the course of our valuation, we have included such committed portion and taken into account such consideration in our valuation.
- (3) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, *inter alia*, the following information:
 - (a) Yiwu Shangbo Yunchang Enterprise Management Co., Ltd. (義烏商博雲倉企業管理有限公司) has obtained the certificates of state-owned land use rights of the property. According to relevant laws and regulations of the PRC, Yiwu Shangbo Yunchang Enterprise Management Co., Ltd. (義烏商博雲倉企業管理有限公司) legally owns the land use rights of the property, and has the right to possess, use, lease, mortgage or dispose of the land use rights in other legal ways; and
 - (b) Yiwu Shangbo Yunchang Enterprise Management Co., Ltd. (義烏商博雲倉企業管理有限公司) has obtained the certificates of building ownership of the property. According to relevant laws and regulations of the PRC, Yiwu Shangbo Yunchang Enterprise Management Co., Ltd. (義烏商博雲倉企業管理有限公司) legally owns the building ownership of the property, and has the right to possess, use, lease, mortgage or dispose of the building ownership in other legal ways; and
 - (c) The property is not subject to any mortgage and other encumbrances.
- (4) Jean Jin (9 years of experience, Manager of our Hangzhou office) inspected the property on 13 March 2026.
- (5) The status of the title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:

Real Estate Title Certificates

Yes

APPENDIX III

PROPERTY VALUATION REPORT

VALUATION REPORT

Group III — Property interests held by the Group under development in the PRC

	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2026																
III-15.	Tower I&II Under Construction Project of Yiwu Global Digital Trade Center, Southeast of the Junction of Chunfeng Avenue and Chengxin Avenue, Yiwu, Jinhua, Zhejiang Province, the PRC (全球數貿中心T1&T2在建酒店、寫字樓)	The property, as a part of a comprehensive development, comprises two buildings with a planned total gross floor area of 206,303.97 sq m. The development erected on a parcel of land with a total site area of 107,202.58 sq m. Details as follows: <table><thead><tr><th>Type</th><th>Planned Gross floor area (sq m)</th></tr></thead><tbody><tr><td>Commercial</td><td>21,971.82</td></tr><tr><td>Hotel</td><td>34,260.68</td></tr><tr><td>Office</td><td>117,401.56</td></tr><tr><td>Other</td><td>516.94</td></tr><tr><td>Sub-total above ground</td><td>174,151.00</td></tr><tr><td>Underground</td><td>32,152.97</td></tr><tr><td>Total</td><td>206,303.97</td></tr></tbody></table>	Type	Planned Gross floor area (sq m)	Commercial	21,971.82	Hotel	34,260.68	Office	117,401.56	Other	516.94	Sub-total above ground	174,151.00	Underground	32,152.97	Total	206,303.97	As at the Valuation Date, the property was under construction and scheduled to be completed in 2028.	RMB654,000,000 (RENMINBI SIX HUNDRED FIFTY FOUR MILLION) (100% interest attributable to the Group: RMB654,000,000)
Type	Planned Gross floor area (sq m)																			
Commercial	21,971.82																			
Hotel	34,260.68																			
Office	117,401.56																			
Other	516.94																			
Sub-total above ground	174,151.00																			
Underground	32,152.97																			
Total	206,303.97																			
		According to the Company, the subject building was expected to be completed in 2028. The subject property is situated Southeast of the Junction of Chunfeng Avenue and Chengxin Avenue. Developments nearby are mainly commercial developments. According to the Company, the property is for commercial use; there are neither environmental issues and litigation dispute. The land use rights of the property have been granted for a term due to expire on 17 October 2062 for commercial and financial use.																		

APPENDIX III

PROPERTY VALUATION REPORT

Notes:

- (1) According to Grant Contract of State-owned Land Use Rights No. 330782-2022-A21-117 entered into between Yiwu Municipal Bureau of Natural Resources and Planning and Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) on 31 August 2022, the land use rights of the property comprising a total site area of 374,379.36 sq m have been contracted to be granted to Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) for commercial and financial use.

As informed by the Group, the property is portion of the above grant contract.

- (2) According to Planning Permit for Construction Works No. 3307822024GG0045476 issued by Yiwu Municipal Bureau of Natural Resources and Planning on 15 May 2024 (updated on 2 March 2026), the construction project is situated in Southeast of the Junction of Chunfeng Avenue and Chengxin Avenue. The total planned building area is 206,303.97 sq m.
- (3) According to Permit for Commencement of Construction Works No. 330782202406070101 issued by the Yiwu Municipal Commission of Housing and Urban-Rural Development, the construction works of the development with a total gross floor area of approximately 206,256.89 sq m are in compliance with the requirements for works commencement and have been permitted.
- (4) As advised by the Group, the incurred construction cost as at the Valuation Date was approximately RMB368,764,000. The estimated outstanding construction cost for completion of the development as at the Valuation Date was approximately RMB859,846,000. In the course of our valuation, we have taken into account such costs.
- (5) The development value of the property as if completed as at the Valuation Date was approximately RMB1,871,000,000.
- (6) We have been provided with a legal opinion on the property prepared by the Company’s legal adviser, which contains, *inter alia*, the following information:
- (a) Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) holds the entirety of the land use rights totalling 374,379.36 sq m and has the right to possess, use, lease, mortgage or dispose of the land use rights in other legal ways; and
- (b) Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) has lawfully obtained the Planning Permit for Construction Works and Permit for Construction Works; and
- (c) The property is not subject to any mortgage and other encumbrances.
- (7) Lindsay Zou (14 years of experience, Associate Director of our Hangzhou office) inspected the property on 3 April 2026.
- (8) The status of the title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:

Real Estate Title Certificate (Land)	Yes
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes

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PROPERTY VALUATION REPORT

VALUATION REPORT

Group IV — Property interests held for future development in the PRC

	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2026
IV-16.	Hangzhou commercial and business service land, Land Parcel JG1203-28, Jingfang Sanbao Unit, Shangcheng District, Hangzhou, Zhejiang Province, the PRC (杭州商服用地)	The property comprises a parcel of land with a site area of 13,921.00 sq m. According to the Company, the development is expected to be completed in 2029. The subject property is situated at Land Parcel JG1203-28, Jingfang Sanbao Unit, Shangcheng District. Developments nearby are mainly commercial and office developments. According to the Company, the property is for commercial and office use; there are neither environmental issues and litigation dispute. The land use rights of the property have been granted for a term due to expire on 23 October 2065 for commercial and business service use.	As at the Valuation Date, the property is vacant and scheduled to be completed in 2029.	RMB603,000,000 (RENMINBI SIX HUNDRED THREE MILLION) (100% interest attributable to the Group: RMB603,000,000)

Notes:

- (1) According to Real Estate Title Certificate No. (2025) 0628781 issued by Hangzhou Municipal Commission of Planning and Natural Resources on 11 November 2025, the land use rights of the property comprising a total site area of 13,921.00 sq m are vested in Hangzhou Shangbo Nanxing Real Estate Co., Ltd. (杭州商博南星置業有限公司) (wholly-owned subsidiary of the Company) for commercial and business service use.
- (2) According to Grant Contract of State-owned Land Use Rights No. 3301002025A21048 entered into between Hangzhou Municipal Commission of Planning and Natural Resources and Hangzhou Shangbo Nanxing Real Estate Co., Ltd. (杭州商博南星置業有限公司) on 13 June 2025, the land use rights of the property comprising a total site area of 13,921.00 sq m have been contracted to be granted to Hangzhou Shangbo Nanxing Real Estate Co., Ltd. (杭州商博南星置業有限公司) for commercial and office use.
- (3) According to Planning Permit for Construction Works No.3301022025GG0066539 issued by Hangzhou Municipal Commission of Planning and Natural Resources on 5 November 2025, the construction project is situated in Shangcheng District. The planned building area is 72,540.64 sq m.
- (4) According to Permit for Commencement of Construction Works No. 330102202602120101 issued by the Shangcheng District Commission of Housing and Urban-Rural Development on 12 February 2026, the construction works of the development with a total gross floor area of approximately 72,540.64 sq m are in compliance with the requirements for works commencement and have been permitted.
- (5) As advised by the Group, the incurred construction cost as at the Valuation Date was approximately RMB13,000,000. In the course of our valuation, we have taken into account such costs.

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PROPERTY VALUATION REPORT

- (6) We have been provided with a legal opinion on the property prepared by the Company’s legal adviser, which contains, *inter alia*, the following information:
- (a) Hangzhou Shangbo Nanxing Real Estate Co., Ltd. (杭州商博南星置業有限公司) has obtained the certificates of state-owned land use rights of the property. According to relevant laws and regulations of the PRC, Hangzhou Shangbo Nanxing Real Estate Co., Ltd. (杭州商博南星置業有限公司) legally owns the land use rights of the property, and has the right to possess, use, lease, mortgage or dispose of the land use rights in other legal ways; and
 - (b) Hangzhou Shangbo Nanxing Real Estate Co., Ltd. (杭州商博南星置業有限公司) has lawfully obtained necessary approvals and permits for the current stage of construction progress; and
 - (c) The property is not subject to any mortgage and other encumbrances.
- (7) Tianyu Yang (2 years of experience, Assistant Manager of our Hangzhou office) inspected the property on 20 March 2026.
- (8) The status of the title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:

Real Estate Title Certificate (Land)	Yes
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes

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PROPERTY VALUATION REPORT

VALUATION REPORT

Group IV — Property interests held for future development in the PRC

	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2026
IV-17.	The plot of land south of Global Digital Trade Center, Futian Subdistrict, Yiwu, Jinhua, Zhejiang Province, the PRC (福田街道五區市場南側地塊)	The property comprises a parcel of land with a site area of 164,747.08 sq m. According to the Company, the development is expected to be completed in 2029. The subject property is situated at a parcel of land, south of Global Digital Trade Center, Futian Subdistrict. Developments nearby are mainly commercial and office developments. According to the Company, the property is for commercial and park greenery use; there are neither environmental issues and litigation dispute. The land use rights of the property have been granted for a term due to expire on 5 January 2066 for commercial and park greenery use.	As at the Valuation Date, the property is vacant and scheduled to be completed in 2029.	RMB3,311,000,000 (RENMINBI THREE BILLION THREE HUNDRED ELEVEN MILLION) (100% interest attributable to the Group: RMB3,311,000,000)

Notes:

- (1) According to Real Estate Title Certificate No. (2026) 0001516 issued by Yiwu Municipal Commission of Planning and Natural Resources on 12 January 2026, the land use rights of the property comprising a total site area of 164,747.08 sq m are vested in Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) for commercial and park greenery use.
- (2) According to Grant Contract of State-owned Land Use Rights No. 330782-2025-A21-090 entered into between Yiwu Municipal Commission of Planning and Natural Resources and Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) on 1 December 2025, the land use rights of the property comprising a total site area of 164,747.08 sq m have been contracted to be granted to Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) for commercial and park greenery use.
- (3) According to Planning Permit for Construction Works No.330782202600033 issued by Yiwu Municipal Commission of Planning and Natural Resources on 22 January 2026, phase I of the construction project is situated in Futian Subdistrict. The planned building area is 34,779.09 sq m.

As informed by the Group, the above planned building area is portion of the property.

- (4) According to Permit for Commencement of Construction Works No. 330782202602030301 issued by the Yiwu Municipal Commission of Housing and Urban-Rural Development on 3 February 2026, the construction works of the development with a total gross floor area of approximately 34,779.09 sq m are in compliance with the requirements for works commencement and have been permitted.

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PROPERTY VALUATION REPORT

As informed by the Group, the above area is portion of the development.

- (5) We have been provided with a legal opinion on the property prepared by the Company’s legal adviser, which contains, *inter alia*, the following information:
- (a) Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) has obtained the certificates of state-owned land use rights of the property. According to relevant laws and regulations of the PRC, Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) legally owns the land use rights of the property, and has the right to possess, use, lease, mortgage or dispose of the land use rights in other legal ways; and

(b) Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) has lawfully obtained necessary approvals and permits for the current stage of construction progress; and

(c) The property is not subject to any mortgage and other encumbrances.
- (6) Jean Jin (9 years of experience, Manager of our Hangzhou office) inspected the property on 16 March 2026.
- (7) The status of the title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:

Real Estate Title Certificate (Land)	Yes
Grant Contract of State-owned Land Use Rights	Yes
Planning Permit for Construction Works	Yes
Permit for Commencement of Construction Works	Yes

APPENDIX IV

TAXATION AND FOREIGN EXCHANGE

TAXATION OF SECURITY HOLDERS

Income tax and capital gains tax of holders of the H shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of the H shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current laws and practices, and has not taken into account the expected change or amendment to the relevant laws or policies and does not constitute any opinion or advice. The discussion does not deal with all possible tax consequences relating to an investment in the H shares, nor does it take into account the specific circumstances of any particular investor, some of which may be subject to special regulation. Accordingly, you should consult your own tax adviser regarding the tax consequences of an investment in the H shares. The discussion is based upon laws and relevant interpretations in effect as of the Latest Practicable Date, all of which are subject to change or adjustment.

This discussion does not address any aspects of PRC taxation other than income tax, capital gains tax and profits tax, sales tax, value-added tax, stamp duty and estate duty. Prospective investors are urged to consult their financial advisers regarding the PRC and other tax consequences of owning and disposing of the H shares.

TAXATION IN THE PRC

Taxation of Dividends

Individual Investors

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) (the “**IIT Law**”), which was promulgated by the SCNPC on September 10, 1980, latest amended on August 31, 2018 and implemented on January 1, 2019, and the Regulations for the Implementation of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》) (the “**Implementation Rules on the IIT Law**”), which was latest amended by the State Council on December 18, 2018 and implemented on January 1, 2019, income from interest, dividends and bonuses shall be taxed at a flat rate of 20%. The taxable income amount for income from interest, dividends and bonuses shall be the amount of each income item. Moreover, according to the Notice of the Ministry of Finance of the PRC (the “**MOF**”), the State Taxation Administration of the PRC (the “**STA**”) and the CSRC on Issues Concerning Differentiated Individual Income Tax Policies on Dividends and Bonuses of Listed Companies (《財政部、國家稅務總局、證監會關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》), which was issued by the MOF, the STA and the CSRC on September 7, 2015 and implemented on September 8, 2015, where an individual acquires stocks of a listed company from public offering or from the stock transfer market and holds the stocks for more than one year, the income from dividends is exempt from individual income tax; if the individual holds the stocks for one month or less, the income from dividends shall be fully taxable; if the individual holds the stocks for one month to one year (one year inclusive), 50% of the income from dividends shall be taxable; the aforesaid income is subject to an individual income tax at a flat rate of 20%.

According to the Notice of the STA on Issues Concerning Individual Income Tax Administration after the Abolition of the Document Guo Shui Fa [1993] No. 045 (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》), which was issued by the STA on June 28, 2011 and implemented on the same date, domestic non-foreign-invested enterprises issuing shares in Hong Kong may, when distributing dividends, withhold individual income tax at the rate of 10%. For the individual holders of H Shares receiving dividends who are citizens of countries that have entered into a tax treaty with the PRC with tax rates lower than 10%, the non-foreign-invested enterprise whose shares are listed in Hong Kong may apply on behalf of such holders for enjoying the lower preferential tax treatments, and, upon approval by the tax authorities, the amount which is over withheld will be refunded. For the

APPENDIX IV

TAXATION AND FOREIGN EXCHANGE

individual holders of H shares receiving dividends who are citizens of countries that have entered into a tax treaty with the PRC with tax rates higher than 10% but lower than 20%, the non-foreign-invested enterprise is required to withhold the tax at the agreed rate under the treaties, and no application procedures will be necessary. For the individual holders of H Shares receiving dividends who are citizens of countries without taxation treaties with the PRC or otherwise, the non-foreign invested enterprise is required to withhold the tax at a rate of 20%.

Enterprise Investors

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the “**EIT Law**”), which was promulgated by the National People’s Congress on March 16, 2007, latest amended by the SCNPC on December 29, 2018 and implemented on the same date, and the Regulations for the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) (the “**Implementation Rules on the EIT Law**”), which was promulgated by the State Council on December 6, 2007, latest amended on December 6, 2024 and implemented on January 20, 2025, a non-PRC resident enterprise is generally subject to enterprise income tax at the rate of 10% with respect to PRC-sourced income, including gains derived from the disposal of shares in a PRC resident enterprise, if such non-PRC resident enterprise does not have an establishment or premises in the PRC or has an establishment or premises in the PRC but the PRC-sourced income is not actually connected with such establishment or premises in the PRC. Such tax may be reduced or eliminated under applicable tax treaties or arrangements. Such withholding tax for non-resident enterprises are deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise when such payment is made or due.

According to the Notice of the STA on the Issues Concerning Withholding Enterprise Income Tax on Dividends Paid by PRC Resident Enterprises to Overseas Non-PRC Resident Enterprise H Share Holders (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》), which was issued by the STA on November 6, 2008 and implemented on the same date, a PRC resident enterprise must withhold enterprise income tax at a unified rate of 10% on dividends paid to overseas non-PRC resident enterprise holders of H Shares for 2008 and onwards. In addition, the Response to Issues on Levying Enterprise Income Tax on Dividends Derived by Non-resident Enterprise from Holding Stock such as B-shares (《國家稅務總局關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》), which was issued by the STA on July 24, 2009 and implemented on the same date, further provides that any PRC-resident enterprise listed on overseas stock exchanges must withhold enterprise income tax at a rate of 10% on dividends of 2008 and onwards distributed to non-resident enterprises. Such tax rate may be further modified pursuant to any tax treaty or agreement that China has concluded with another jurisdiction, where applicable.

According to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) signed on August 21, 2006 and effective from December 8, 2006, the PRC Government may levy taxes on the dividends paid by a PRC company to Hong Kong residents (including natural persons and legal entities) in an amount not exceeding 10% of total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company, such tax shall not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol of the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion (《<內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排>第五議定書》) signed on July 19, 2019 and effective from December 6, 2019 states that such provisions shall not apply to any arrangement or transaction if one of its principal purposes is to obtain such tax benefits.

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Tax Treaties

Non-resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the PRC enterprise income tax imposed on the dividends received from PRC resident companies. The PRC currently has entered into the avoidance of double taxation treaties or arrangements with a number of countries and regions, including but not limited to Hong Kong Special Administrative Region, Macao Special Administrative Region, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States. Non-PRC resident enterprises eligible for preferential tax rates under relevant tax treaties or arrangements must apply to the PRC tax authorities for a refund of the enterprise income tax paid in excess of the treaty rate. Such refund applications are subject to approval by the PRC tax authorities.

According to the Administrative Measures on Entitlement of Non-resident Taxpayers to Preferential Treatment under Tax Treaties (《非居民納稅人享受協定待遇管理辦法》), which was promulgated by the STA on October 14, 2019 and implemented on January 1, 2020, non-resident taxpayers are entitled to preferential treatment under the tax treaties through self-determination, self-declaration and keeping and documenting relevant information for inspection. Where a non-resident taxpayer self-assesses and concludes that it satisfies the criteria for claiming treaty benefits, it may enjoy treaty benefits at the time of tax declaration or at the time of withholding declaration through a withholding agent, simultaneously gather and retain the relevant materials pursuant to the regulations for future inspection, and be subject to subsequent administration by tax authorities.

Taxation of Capital Gains

Individual Investors

According to the IIT Law and the Implementation Rules on the IIT Law, individuals are subject to individual income tax at the rate of 20% on gains from the transfer of property, incidental income, or other sources of income, including gains realized from the sale of equity interests in PRC resident enterprises. According to the Circular of the MOF and the STA on Continuing Temporary Exemption From Individual Income Tax on the Income From Stocks Transfer (《財政部、國家稅務總局關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the MOF and the STA on March 30, 1998, from January 1, 1997, gains of individuals from the transfer of shares of listed enterprises continue to be exempted from individual income tax. As the Latest Practicable Date, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the sale of shares of PRC resident enterprises listed on overseas stock exchanges.

Enterprise Investors

According to the EIT Law and the Implementation Rules on the EIT Law, a non-PRC resident enterprise is generally subject to enterprise income tax at the rate of 10% with respect to PRC-sourced income, including gains derived from the disposal of shares in a PRC resident enterprise, if such non-PRC resident enterprise does not have an establishment or premises in the PRC or has an establishment or premises in the PRC but the PRC-sourced income is not actually connected with such establishment or premises in the PRC. Such tax may be reduced or eliminated under applicable tax treaties or arrangements.

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Shanghai-Hong Kong Stock Connect Taxation Policy

According to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Market Connect Mechanism (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》), which was promulgated by the MOF, the STA and the CSRC on October 31, 2014 and implemented on November 17, 2014, for dividends and bonuses obtained by mainland individual investors from investments in H shares listed on The Stock Exchange of Hong Kong Ltd. (the “**HKSE**”) through the Shanghai-Hong Kong Stock Connect, the H share company shall apply to China Securities Depository and Clearing Corporation Limited (the “**CSDC**”) to get the register of mainland individual investors and withhold the individual income tax at a rate of 20%.

For mainland enterprise investors, income from dividends and bonuses of investment in stocks listed on the HKSE through the Shanghai-Hong Kong Stock Connect shall be included into the total income and subject to the enterprise income tax. Income of mainland resident enterprises obtained from dividends and bonuses of H shares held for twelve consecutive months or more shall be exempted from enterprise income tax according to the law. When mainland enterprise investors declare and pay enterprise income taxes on their own, they may apply for tax credits for the income tax of dividends and bonuses withheld by non-H-share listed companies on the HKSE.

Shenzhen-Hong Kong Stock Connect Taxation Policy

According to the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Market Connect Mechanism (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》), which was promulgated by the MOF, the STA and the CSRC on November 5, 2016 and implemented on December 5, 2016, for dividends and bonuses obtained by mainland individual investors from investments in H shares listed on the HKSE through the Shenzhen-Hong Kong Stock Connect, H share company shall apply to CSDC to get the register of mainland individual investors and withhold the individual income tax at a rate of 20%.

For mainland enterprise investors, income from dividends and bonuses of investment in stocks listed on the HKSE through the Shenzhen-Hong Kong Stock Connect shall be included into the total income and subject to the enterprise income tax. Income of mainland resident enterprises obtained from dividends and bonuses of H shares held for twelve consecutive months or more shall be exempted from enterprise income tax according to the law. When mainland enterprise investors declare and pay enterprise income taxes on their own, they may apply for tax credits for the income tax of dividends and bonuses withheld by non-H-share listed companies on the HKSE.

Stamp duty

According to the Stamp Tax Law of the PRC (《中華人民共和國印花稅法》), which was promulgated by the SCNPC on June 10, 2021 and implemented on July 1, 2022, the entities and individuals that conclude taxable certificates, or conduct securities transactions within the PRC shall be taxpayers of stamp tax, and shall pay stamp tax in accordance with the provisions of this law; where entities or individuals conclude taxable certificates outside the PRC which are used within the PRC, they shall pay stamp tax in accordance with the provisions of this law. Thus, the requirements of the stamp duty imposed on the transfer of shares of PRC listed companies shall not apply to the acquisition and disposal of H shares by non-PRC investors outside of the PRC.

Estate Tax

Currently, no estate tax is imposed by the PRC Government.

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TAXATION AND FOREIGN EXCHANGE

PRC TAXATION OF THE COMPANY

Enterprise Income Tax

According to EIT Law, resident enterprises refer to enterprises that are legally established in the PRC, or are established under foreign laws but whose actual management bodies are located in the PRC. A resident enterprise shall be subject to a tax rate of 25% of any income generated within or outside Chinese mainland. High and new technology enterprises supported by the State may enjoy a reduced tax rate of 15%.

Value-added Tax

According to the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》), which was promulgated by the SCNPC on December 25, 2024 and implemented on January 1, 2026, entities and individuals (including individual businesses) selling goods, services, intangible assets, real estate or importing goods within the territory of the PRC are taxpayers of VAT and shall pay VAT in accordance with the provisions of the law. Except for the export of goods, the sale of services or intangible assets within the scope as prescribed by the State Council by domestic entities and individuals across national borders and other circumstances specified for by the State Council, the rate of VAT for sale of goods, services of processing, repair or replacement, tangible movable property leasing services or import of goods is 13% unless otherwise specified, such as the rate of VAT for sale of agricultural products is 9%, and the rate of VAT for sale of transportation services, postal services, basic telecommunications services, construction services, or immovable property leasing services, sale of immovable properties, or transfer of the rights to use land is 9%. In addition to the above circumstances, the rate of VAT for sale of services or intangible assets is 6%.

FOREIGN EXCHANGE CONTROLS OF THE PRC

RMB is the lawful currency of the PRC, which is subject to foreign exchange controls and cannot be freely converted into foreign currencies. The State Administration of Foreign Exchange of the PRC (the “SAFE”), under the authorization of the PBOC, is responsible for the administration of all matters related to foreign exchange, including the enforcement of applicable foreign exchange control regulations.

Pursuant to the Administrative Regulations on Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》), which was issued by the State Council on January 29, 1996, latest amended on August 5, 2008 and implemented on the same date, domestic institutions engaging in the issuance or trading of negotiable securities or derivative products shall complete registration in accordance with the requirements of the foreign exchange administrative department of the State Council. Foreign exchange administrative authorities have the right to exercise inspection and examination on foreign exchange settlement under capital accounts as well as the use of funds from and account changes in respect of such settlement. However, the international payments in foreign exchange and the transfer of foreign exchange under current account shall not be subject to any state control or restriction.

According to the Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》), which was promulgated by the PBOC on June 20, 1996 and implemented on July 1, 1996, the remaining restrictions on foreign exchange convertibility under current account items are removed, but the existing restrictions on foreign exchange transactions under capital account items are retained. Consequently, RMB is freely convertible for current account items (e.g., trade, services, and dividends), but remains subject to approval or registration requirements for capital account items (e.g., direct investment, loans, and overseas securities investment) with SAFE or its local branches.

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According to the Announcement of the PBOC on Reforming the RMB Exchange Rate Regime (《中國人民銀行關於完善人民幣匯率形成機制改革的公告》), which was issued by the PBOC on July 21, 2005 and implemented on the same date, the PRC reformed its exchange rate regime to implement a managed floating exchange rate system based on market supply and demand with reference to a basket of currencies. As a result, the RMB exchange rate is no longer pegged solely to the U.S. dollar. After the close of trading on each business day, the PBOC would publish the closing price of the RMB against the U.S. dollar and other foreign currencies in the interbank foreign exchange market, which serves as the central parity rate for trading of such currencies against the RMB on the following business day.

According to the relevant PRC laws and regulations, PRC enterprises (including foreign-invested enterprises) may, for current account transactions, use foreign exchange to make payments directly from their foreign exchange accounts opened with designated foreign exchange banks upon presentation of valid transaction documents or evidence, without obtaining prior approval from the foreign exchange departments. Foreign-invested enterprises that need to pay profits to their shareholders in foreign currency, as well as PRC enterprises (such as the Company) that are required under relevant regulations to pay dividends to their shareholders in foreign currency, may do so pursuant to resolutions of their board of directors or shareholders’ meetings. Payments may be made directly from the foreign exchange account or through designated foreign exchange banks for currency conversion and remittance.

According to the Decision of the State Council on Cancelling and Adjusting a Number of Administrative Approval Items and Other Matters (《國務院關於取消和調整一批行政審批項目等事項的決定》), which was issued by the State Council on October 23, 2014 and implemented on the same date, the approval requirements of the SAFE and its branches for the repatriation and settlement of funds raised from overseas-listed foreign-invested shares into domestic RMB accounts in the PRC have been canceled.

In addition, according to the Notice of the PBOC and the SAFE on Issues Concerning the Administration of Capital Management of Domestic Enterprises in Overseas Listing (《中國人民銀行 國家外匯管理局關於境內企業境外上市資金管理有關問題的通知》), which was issued by the PBOC and the SAFE on December 24, 2015 and implemented on April 1, 2016, a domestic enterprise listed overseas shall, within 30 working days from the first trading day of its overseas listing or upon completion of the over-allotment, submit the prescribed documents to a bank in its registered province or municipality separately listed on the State plan to apply for overseas listing registration. Proceeds from overseas listings shall, in principle, be repatriated to the PRC in a timely manner. If such proceeds are to be retained overseas for the purpose of overseas direct investment, overseas securities investment, or overseas lending, the enterprise shall obtain the approval or filing documents from the competent authorities prior to the completion of the overseas issuance and listing or the completion of the over-allotment, and shall comply with the relevant cross-border capital administration regulations.

According to the Notice of the SAFE on Further Simplifying and Improving the Policies of Foreign Exchange Administration Applicable to Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》), which was issued by the SAFE on February 13, 2015 and implemented on June 1, 2015, the administrative approval for foreign exchange registration under domestic and foreign direct investment was canceled. Such registration is currently handled directly by qualified banks, while the SAFE and its branches implement indirect supervision through banks to handle relevant foreign exchange business.

According to the Notice of the SAFE on Reforming and Standardizing the Administrative Provisions on Capital Account Foreign Exchange Settlement (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》), which was issued by the SAFE on June 9, 2016, latest amended on December

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4, 2023 and implemented on the same date, domestic institutions are allowed to undertake foreign exchange settlement for capital account (including proceeds from overseas listings) in the banks according to their actual business needs. The ratio of the discretionary exchange rate of such receipts is tentatively set at 100%. The SAFE may adjust the above ratio in due course according to the balance of payment status.

In addition, the foreign exchange incomes under the capital account of a domestic institution shall be used under the principles of authenticity and for itself. Domestic institutions shall comply with the following provisions when using their foreign exchange income under the capital account and the RMB funds obtained from foreign exchange settlement:

- such incomes and funds shall not, directly or indirectly, be used for the expenditures beyond the business scope of domestic institutions or the expenditures prohibited by laws and regulations of the State;
- unless otherwise provided, such incomes and funds shall not, directly or indirectly, be used for investment in securities or other investments (excluding wealth management products with a risk rating of Level 2 or lower and structured deposits);
- such incomes and funds shall not be used for the granting of loans to non-affiliated enterprises, except where explicitly permitted under the business scope; and
- such incomes and funds shall not be used for purchase of real estate for purposes other than self-use (except by enterprises engaged in real estate development, operation, or leasing).

Moreover, domestic institutions applying for payment with the incomes under the capital account shall truthfully provide the bank with documents proving transaction authenticity relating to the use of funds. For a domestic institution that applies to settle all its capital account foreign exchange income for payment at one time, or to make payment using the entire RMB funds in its account pending foreign exchange settlement and payment on a lump-sum basis, if it fails to provide relevant documents proving transaction authenticity, the bank shall not process the foreign exchange settlement or payment for it.

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SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

This Appendix sets forth the summary of certain aspects of the PRC laws and regulations which are relevant to the Company’s operations and business. Laws and regulations relating to taxation in the PRC are discussed separately in “Appendix IV — Taxation and Foreign Exchange”. The primary purpose of this summary is to provide potential [REDACTED] with an overview of the principal legal and regulatory requirements applicable to the Company. This summary is not intended to contain all information that is important to potential [REDACTED]. Please refer to the “Regulatory Overview” section of this Document for a discussion of the laws and regulations relevant to our business.

PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the PRC (2018 Revision) (《中華人民共和國憲法》(2018修正))(the “**Constitution**”) amended by the National People’s Congress (the “**NPC**”) on March 11, 2018 and implemented on the same date, and is made up of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, departmental rules of the State Council, rules and regulations of local governments, laws of special administrative regions and international treaties of which the PRC government is a signatory, and other regulatory documents. Court judgments do not constitute legally binding precedents but may be used for judicial reference and guidance.

According to the Constitution and the Legislation Law of the PRC (2023 Revision) (《中華人民共和國立法法》(2023修正)) (the “**Legislation Law**”) amended by the NPC on March 13, 2023 and implemented on March 15, 2023, the NPC and the SCNPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing civil and criminal matters, state organs and other matters. The SCNPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws. The NPC may authorize the SCNPC to enact relevant laws.

The State Council is the highest administrative organ of the PRC and has the power to formulate administrative regulations based on the Constitution and laws.

The People’s congresses of provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual requirements of their own respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations. The people’s congresses and their respective standing committees of cities with subordinate districts may enact local regulations based on their own specific circumstances and actual requirements relating to urban and rural development and management, environmental protection and the conservation of history and culture, provided that such local regulations are not in conflict with any provisions of the Constitution, laws, administrative regulations and local regulations of provinces or autonomous regions. If the laws have other provisions on the enactment of local regulations for cities with subordinate districts, such other provisions shall prevail. Local regulations for cities with subordinate districts must be reported to the people’s congresses of the provinces and autonomous regions for approval before implementation.

The standing committees of the people’s congresses of the provinces or autonomous regions shall review the legitimacy of the local regulations submitted for approval, and approval shall be granted within four months if they do not contravene the Constitution, laws, administrative regulations and the local regulations of the provinces or autonomous regions. The people’s congresses of ethnic autonomous areas have the power to enact autonomous regulations and separate regulations in the light of the political, economic and cultural characteristics of each ethnic group in the area.

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The ministries and commissions of the State Council, the PBOC, the National Audit Office, and the public institutions directly under the State Council with administrative and management functions may enact rules and regulations within the scope of their terms of reference in accordance with the laws and the administrative regulations, decisions and rulings of the State Council.

The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of local regulations is greater than that of the rules of the local governments at or below the corresponding level. The authority of the rules enacted by the people’s governments of the provinces or autonomous regions is greater than that of the rules enacted by the people’s governments of the cities with subordinate districts within their respective administrative areas.

The NPC has the power to alter or annul any inappropriate laws enacted by the SCNPC, and to annul any autonomous regulations or separate regulations which have been approved by the SCNPC but which contravene the Constitution or the Legislation Law. The SCNPC has the power to annul any administrative regulations that contravene the Constitution and laws, to annul any local regulations that contravene the Constitution, laws or administrative regulations, and to annul any autonomous regulations or separate regulations which have been approved by the standing committees of the people’s congresses of the relevant provinces, autonomous regions or municipalities directly under the central government, but which contravene the Constitution and the Legislation Law. The State Council has the power to alter or annul any inappropriate departmental rules and local rules and regulations. The people’s congresses of provinces, autonomous regions or municipalities directly under the central government have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees. The people’s governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people’s governments at a lower level.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the SCNPC. According to the Decision of the SCNPC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) issued on June 10, 1981 and implemented on the same date, the Supreme People’s Court of the PRC (the “**Supreme People’s Court**”) has the power to give general interpretation on questions involving the specific application of laws and decrees in court trials. The Supreme People’s Procuratorate has authority to give interpretation on questions involving the specific application of laws and decrees in prosecutions conducted by procuratorates. The State Council and the competent authorities have authority to give interpretation on questions involving the specific application of other laws and decrees not relating to court trials and prosecution work.

PRC JUDICIAL SYSTEM

Under the Constitution and the PRC Law on the Organization of the People’s Courts (2018 Revision) (《中華人民共和國法院組織法(2018修訂)》) amended by the SCNPC on October 26, 2018 and implemented on January 1, 2019, the PRC judicial system is made up of the Supreme People’s Court, the local people’s courts and other special people’s courts.

Local people’s courts at all levels are composed of primary people’s courts, intermediate people’s courts and higher people’s courts. The primary people’s courts may set up civil, criminal and economic tribunals. The intermediate people’s court has similar structure with the primary people’s court, and can set up other tribunals, such as intellectual property tribunal when necessary. Special people’s courts include military courts, maritime courts, intellectual property courts, financial courts, etc. The higher

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level of people’s court supervises the trial work of the people’s court at a lower level. The people’s procuratorate also has the right to exercise legal supervision over the proceedings of the people’s court at the same level or at a lower level. The Supreme People’s Court is the highest judicial organ in the PRC and supervises the trial work of local people’s courts at all levels and special people’s courts.

The people’s courts implement the two-instance final trial system, the judgment or ruling of second instance of the people’s court shall be the final judgment and ruling. A party who is dissatisfied with the judgment or ruling of the first instance of the local people’s court may file an appeal. The people’s procuratorate may file a protest with the people’s court at the next higher level in accordance with the procedures prescribed by law. If the party does not file an appeal and the people’s procuratorate does not protest within the prescribed time limit, the judgment or ruling of the people’s court shall be final. The judgments and rulings of second instance made by the intermediate people’s courts, the higher people’s courts and the Supreme People’s Court, and the judgments and rulings of first instance handed down by the Supreme People’s Court shall be final judgments and rulings. However, if the Supreme People’s Court or the local people’s court at a higher level finds that the effective judgment or ruling of the people’s court at the lower level is indeed erroneous, or the presiding judge of the people’s court at any level finds that the effective judgment or ruling of the people’s court at the same level is indeed erroneous, a retrial may be conducted in accordance with the judicial supervision procedures.

The Civil Procedure Law of the PRC (2023 Revision) (《中華人民共和國民事訴訟法(2023年修正)》) (the “**Civil Procedure Law**”), which was adopted by the SCNPC on March 8, 1982, latest amended on September 1, 2023 and implemented on January 1, 2024, sets forth the criteria for instituting a civil action, the jurisdiction of the people’s courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Generally, a civil case is initially heard by a local court of the municipality or province in which the defendant resides. The parties to a contract may, by express agreement, select a judicial court with competent jurisdiction to hear civil actions arising from disputes on contracts or disputes on property, equity interest or other assets, provided that the judicial court must be located at the place directly related to the dispute, such as the place of residence of the plaintiff or defendant, the place of performance or the place of execution of the contract, or the place where the object of the civil action is located. However, under any circumstances, the choice of court must not contravene the provisions regarding different jurisdictions and exclusive jurisdiction.

A foreign national or a stateless person or a foreign-invested enterprise or a foreign organization that files a lawsuit or defends a case in the people’s court shall enjoy the same rights and bear the same obligations of litigation as a citizen or legal person or other organization of the PRC. If a judicial court of a foreign country limits the litigation rights of PRC citizens and enterprises, the PRC courts may impose the same limitations to the citizens and enterprises of that foreign country. If a foreign individual, a stateless person, a foreign-invested enterprise or a foreign organization that files a lawsuit or defends a case in the people’s court needs to engage a lawyer, he/she/it should employ a PRC lawyer. According to the international treaties or principles of reciprocity signed or joined by the PRC, the people’s courts and the foreign courts may request each other to deliver documents, conduct investigations and collect evidence or take other actions on behalf of the other side. If any request from a foreign court may give rise to infringement on the sovereignty, security or public interest of the PRC, the people’s court should refuse the request.

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All parties to the litigation must enforce legally effective civil judgments and rulings. If either party to a civil action refuses to enforce a judgment or ruling made by a people’s court of the PRC or an award made by an arbitral tribunal, the other party may apply to the people’s court for enforcement within two years. The application for suspension or interruption of the enforcement period shall comply with the provisions on suspension or interruption of the limitation period under applicable laws.

A party seeking to enforce an effective judgment or ruling of a people’s court against a party who is not personally within the PRC or whose property is not within the PRC, may apply to a foreign court with competent jurisdiction over the case for recognition and enforcement of the judgment or ruling. If the PRC has signed or joined an international treaty with the relevant foreign country under which foreign judgment or ruling may be recognized and enforced, or if the judgment or ruling satisfies the required conditions after review by the court according to the principle of reciprocity, unless subject to other exceptions, the people’s court may recognize and enforce the foreign judgment and ruling according to the enforcement procedure of the PRC, but except the people’s court finds that the recognition or enforcement of such judgment or ruling will result in violation of the basic legal principles of the PRC, its sovereignty or security or against social and public interest.

THE COMPANY LAW, THE TRIAL ADMINISTRATIVE MEASURES OF OVERSEAS SECURITIES OFFERING AND LISTING BY DOMESTIC ENTERPRISES AND GUIDELINES FOR ARTICLES OF ASSOCIATION OF LISTED COMPANIES

A joint stock limited company established in the PRC seeking for listing on the HKSE is mainly subject to the following laws and regulations of the PRC.

The Company Law of the PRC (the “**Company Law**”) was approved by the Fifth Meeting of the Eighth Session of the SCNPC on December 29, 1993, and implemented on July 1, 1994, and was amended respectively on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023. The latest amended Company Law came into effect on July 1, 2024.

The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) (the “**Overseas Listing Trial Measures**”) and its five explanatory guidelines promulgated by the CSRC on February 17, 2023 came into effect on March 31, 2023, which are applicable to direct and indirect overseas listing of domestic companies. According to the Guidelines for the Applications of Regulatory Rules — Overseas Offering and Listing Category No. 1 (《監管規則適用指引—境外發行上市類第1號》) promulgated by the CSRC on February 17, 2023 and implemented on the same date, domestic companies seeking for direct overseas offering and listing shall formulate the articles of association according to the Guidelines for Articles of Association for Listed Companies (《上市公司章程指引》) (the “**Guidelines for Articles of Association**”) and other relevant provisions of CSRC on corporate governance.

Set out below is a summary of the provisions of the Company Law, the Overseas Listing Trial Measures and the Guidelines for Articles of Association applicable to the Company.

General

A joint stock limited company refers to an enterprise legal person incorporated under the Company Law with independent legal person properties and entitlements to such legal person properties. The liability of its shareholders is limited to the amount of shares held by them and the company is liable to its creditors for an amount equal to the total value of its assets.

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Incorporation

A joint stock limited company may be incorporated by promotion or public subscription.

A joint stock limited company may be incorporated by a minimum of one but not more than 200 promoters, and at least half of the promoters must have residence within the PRC. Companies incorporated by promotion are companies with the total number of shares entirely subscribed for by the promoters. Where companies are incorporated by subscription, the promoters are required to subscribe for part of the total number of shares of a company, and the remaining shares can be offered to the public or specific persons. If companies are incorporated by subscription, the promoters are required to subscribe for not less than 35% of the total number of shares of a company unless otherwise stipulated by laws and administrative regulations.

The promoters must convene an inaugural meeting within 30 days after the issued shares have been fully paid up, and must give notice to all subscribers or make an announcement of the date of the inaugural meeting 15 days before the meeting. The inaugural meeting may be convened only with the presence of promoters or subscribers representing at least half of the shares in the company. At the inaugural meeting, matters including the adoption of articles of association and the election of members of the board of directors of the company will be dealt with.

Within 30 days after the conclusion of the inaugural meeting, the board of directors must apply to the registration authority for registration of the establishment of the joint stock limited company. A company is formally established, and has the status of a legal person, after the business licence has been issued by the relevant registration authority. Joint stock limited companies established by the subscription method shall file with the company registration authority, for recordation, the approval for the share offering issued by the securities administration department of the State Council.

Share capital

According to the Company Law, a shareholder may contribute capital in cash or in kind or in consideration of non-monetary properties such as intellectual property rights, land use right, equity interests or creditor's rights of debts that can be valued in currency and may be transferred in accordance with the law.

Domestic enterprises that are listed overseas may raise funds and distribute dividends in foreign currencies or in RMB according to the Overseas Listing Trial Measures.

All issue of shares of a joint stock limited company shall be on an equal and equitable basis. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. The share offering price may be equal to or greater than nominal value, but shall not be less than nominal value.

A company that seeks to offer and list securities in overseas markets, is required to fulfill the filing procedure with the CSRC and report relevant information. Where an issuer submits an application for initial public offering to competent overseas regulators, filing application with the CSRC shall be submitted within three business days thereafter. Subsequent securities offering of an issuer in the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within three business days after the offering is completed. Subsequent securities offering and listing of an issuer in other overseas markets shall be filed as initial public offering.

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Under the Company Law, a joint stock limited company shall maintain a shareholder register which sets forth the following matters: (1) the name and domicile of each shareholder; (2) the class and quantity of subscribed shares for each shareholder; (3) for stocks issued in paper form, the serial numbers of stocks; (4) the date on which each shareholder acquired the shares.

Increase of share capital

According to the Company Law, when the joint stock limited company issues new shares, resolutions shall be passed by a shareholders’ meeting, approving the class and number of the new shares, the issuing price of the new shares, the commencement and ending dates for the new shares and the class and number of new shares to be issued to existing shareholders. Additionally, if a company intends to make public offering of shares, it is required to complete the registration with the securities regulatory authority of the State Council and announce the document.

Reduction of share capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law:

- it shall prepare a balance sheet and a property list;
- the reduction of registered capital shall be approved by a shareholders’ meeting;
- it shall inform its creditors within 10 days and publish an announcement of the reduction in the newspaper or the National Enterprise Credit Information Publicity System within 30 days after the approval of resolution of reducing registered capital;
- creditors may require the company to pay its debts or provide corresponding guarantees within 30 days after receiving the notice, or within 45 days of the public announcement if no notice has been received;
- it shall apply to the relevant administration of industry and commerce for the registration of the reduction in registered capital.

Repurchase of shares

According to the Company Law, a joint stock limited company may not purchase its own shares other than for one of the following purposes: (i) to reduce its registered capital, (ii) to merge with another company that holds its shares, (iii) to acquire its shares for employee stock ownership plans or equity incentives, (iv) to purchase its shares from shareholders who are against the resolution regarding the merger or division with other companies at a shareholders’ meeting and require the company to acquire the shares held by them, (v) to use shares for conversion of convertible corporate bonds issued by a listed company, and (vi) to maintain corporate value and protect shareholders’ rights and interests of a listed company when necessary.

The purchase of shares on the grounds set out in (i) to (ii) above shall be subject to approval by a resolution of a shareholders’ meeting. The purchase of shares on the grounds set out in (iii), (v) and (vi) above may be subject to approval by a resolution of a board meeting attended by two-thirds of the directors, in accordance with the company’s articles of association or the authorization of the shareholders’ meeting.

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Following the purchase of shares in accordance with the foregoing, such shares shall be canceled within 10 days from the date of purchase in the case of (i) above and transferred or canceled within six months in the case of (ii) or (iv) above. Shares acquired in accordance with (iii), (v) and (vi) above shall not exceed 10% of the total number of the company’s issued shares, and such shares shall be transferred or canceled within three years.

Repurchase of its own shares by a listed company shall perform the obligation of information disclosure in accordance with the Securities Law of the PRC (《中華人民共和國證券法》) (the “**Securities Law**”). A listed company repurchasing its own shares under any of the circumstances set forth in items (iii), (v) and (vi) shall carry out such acquisition in a public and centralized manner. The company shall not accept its own shares as the subject of a pledge.

Transfer of shares

Shares held by shareholders may be transferred in accordance with the relevant laws and regulations. Under the Company Law, shares issued by a joint stock limited company prior to the public issuance of shares shall not be transferred within one year from the date on which the shares are listed and traded on a stock exchange. Directors and the senior management shall declare to the company their shareholdings in the company and any changes of such shareholdings. They shall not transfer more than 25% of all the shares they hold in the company annually during their tenure. They shall not transfer the shares they hold within one year from the date on which the company’s shares are listed and traded on a stock exchange, nor within six months after their resignation from their positions with the company.

Shareholders

Under the Company Law and the Guidelines for Articles of Association, the rights of a shareholder of a company include:

- receiving dividends and other forms of distributions in proportion to their shareholding;
- requesting, convening, presiding over, participating in or entrust a proxy to attend shareholders’ meetings and exercising corresponding rights to vote;
- supervising the business operations of the company, making recommendations or raising questions;
- the transfer, donation or pledge of their shares in accordance with laws, administrative regulations and the articles of association;
- reviewing and copying the articles of association, register of shareholders, minutes of shareholders’ meetings, resolutions of board meeting, and financial and accounting reports; eligible shareholders may review the company’s accounting books and accounting vouchers;
- in the event of the winding-up or liquidation of a company, participating in the distribution of remaining property of a company in proportion to the number of shares held;
- requiring the company to purchase their shares if the shareholder votes against the company merger or division resolution passed by the shareholders’ meeting; and
- other rights conferred by laws, administrative regulations, departmental rules or the articles of association.

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The obligations of a shareholder of a company include:

- compliance with laws, administrative regulations and the articles of association;
- paying full monies based on the shares they have subscribed for;
- not withdrawing their shares unless otherwise provided for by laws and administrative regulations;
- not abusing the shareholders’ rights to harm the interests of the company or other shareholders; not abusing the company’s independent legal person status and the limited liabilities of the shareholders to harm the interests of the company’s creditors; and
- other duties as required by laws, administrative regulations, departmental rules or the articles of association.

Shareholders’ meetings

The shareholders’ meeting is the organ of authority of the company, which exercises its powers in accordance with the Company Law.

Under the Company Law and the Guidelines for Articles of Association, the shareholders’ meeting exercises the following principal powers:

- the election and removal of directors, and decisions on matters relating to the remuneration of directors;
- approving the reports of the board of directors;
- approving the plans for profit distribution and loss make-up of the company;
- making resolutions on the increase or decrease of the registered capital of the company;
- making resolutions on the issuance of corporate bond;
- making resolutions on the merger, division, dissolution, liquidation or change of the form of the company;
- amending the articles of association of the company; and
- other powers as provided for in the articles of association.

Shareholders’ annual meetings are required to be held once every year. Under the Company Law and the Guidelines for Articles of Association, an extraordinary shareholders’ meeting is required to be held within two months after the occurrence of any of the following:

- the number of directors is less than the number stipulated in the Company Law or less than two-thirds of the number specified in the articles of association;
- when the unrecovered losses of a company amount to one-third of the total share capital;
- shareholders individually or jointly holding 10% or more of the company’s shares request;
- when deemed necessary by the board of directors;

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- the audit committee proposes to convene a meeting; or
- other circumstances as provided for in the articles of association.

Under the Company Law and the Guidelines for Articles of Association, shareholders’ meetings shall be convened by the board of directors, and presided over by the chairman of the board of directors. In the event that the chairman is incapable of performing or does not perform his/her duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his/her duties, a director nominated by more than half of directors shall preside over the meeting.

Where the board of directors is incapable of performing or not performing its duties of convening the shareholders’ meeting, the audit committee shall convene and preside over such meeting in a timely manner. If the audit committee fails to convene and preside over such meeting, shareholders individually or jointly holding 10% or more of the company’s shares for 90 days or more consecutively may unilaterally convene and preside over such meeting.

Under the Company Law, notice of shareholders’ meeting shall state the time and venue of and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. Notice of extraordinary shareholder’s meetings shall be given to all shareholders 15 days prior to the meeting.

Under the Company Law, shareholders present at shareholders’ meeting have one vote for each share they hold, save that shares held by the company are not entitled to any voting rights.

Pursuant to the provisions of the articles of association or a resolution of the shareholders’ meeting, the accumulative voting system may be adopted for the election of directors at the shareholders’ meeting. Under the accumulative voting system, each share shall be entitled to vote equivalent to the number of directors to be elected at the shareholders’ meeting and shareholders may consolidate their voting rights when casting a vote.

Pursuant to the Company Law, resolutions of the shareholders’ meeting shall be adopted by more than half of the voting rights held by the shareholders present at the meeting. However, matters relating to merger, division or dissolution of the company, increase or reduction of registered capital, change of corporate form or amendments to the articles of association must be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

Board of directors

Under the Company Law, a joint stock limited company shall have a board of directors, which consists of more than 3 members. In a joint stock limited company with more than 300 employees, unless a board of supervisors is established in accordance with the law and includes employee representatives, the board of directors shall include employee representatives among its members, employee representatives shall be democratically elected by the company’s staff at the staff representative assembly, general staff meeting or otherwise. The term of a director shall be stipulated in the articles of association, but each term of office shall not exceed three years. Directors may serve consecutive terms if re-elected. If a director’s term expires and a re-election is not conducted in a timely manner, or if the resignation of directors causes the number of directors to fall below the quorum, the director shall continue to perform his/her duties in accordance with laws, administrative regulations and the articles of association until a duly elected director takes office.

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Under the Company Law and the Guidelines for Articles of Association, the board of directors mainly exercises the following powers:

- convening shareholders’ meetings and reporting to them;
- implementing the resolutions of the shareholders’ meetings;
- deciding on the company’s business plans and investment plans;
- formulating the plans for profit distribution and loss make-up of the company;
- formulating plans for the increase or decrease of the registered capital of the company and the issuance of corporate bond;
- formulating proposals for merger, division, dissolution or change of corporate form;
- determining the internal management structure of the company;
- determining the appointment or dismissal of the company’s managers and their remuneration; determining the appointment or dismissal of the company’s deputy managers and head of finance and their remunerations according to the nomination of the managers;
- formulating the basic management system of the company; and
- other powers as required by the articles of association or approved by the shareholders’ meeting.

Board meetings

Under the Company Law and the Guidelines for Articles of Association, meetings of the board of directors of a joint stock limited company shall be convened at least twice a year. Notice of meeting shall be given to all directors 10 days before the meeting. Interim board meetings may be proposed to be convened by shareholders representing more than 10% of voting rights, more than one-third of the directors or the audit committee. Meetings of the board of directors shall be held only if more than half of the directors are present. Resolutions of the board of directors shall be passed by more than half of all directors. Each director shall have one vote for resolutions to be approved by the board of directors.

If a resolution of the board of directors violates the laws, administrative regulations or the articles of association, and as a result of which the company suffers serious losses, the directors participating in the resolution are liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be exempt from such liability.

Qualification of directors

The Company Law provides that the following persons may not serve as a director:

- a person without or with limited civil capacity;
- a person who has been sentenced to any criminal penalty due to an offence of corruption, bribery, encroachment of property, misappropriation of property, or disrupting the order of the socialist market economy, or has been deprived of political rights due to a crime, where a

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five-year period has not elapsed since the date of completion of the sentence; if he/she is pronounced for suspension of sentence, a two-year period has not elapsed since the expiration of the suspension period;

- a person who was a director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of such company or enterprise;
- a person who was a legal representative of a company or enterprise which had its business license revoked due to violation of the law and had been closed down by order, and who was personally liable, where less than three years have elapsed since the date of the revocation of the business license of the company or enterprise or the order for closure; or
- a person being listed as one of “dishonest persons subject to enforcement” by the people’s court due to his/her failure to pay off a relatively large amount of due debts.

In addition, the Guidelines for Articles of Association further stipulates other circumstances under which a person may not serve as a director of a company, including: (1) a person who has been subjected to a securities market ban by the CSRC and whose ban period has not yet expired; or (2) a person who has been publicly identified by a stock exchange as unsuitable to serve as directors or senior management of a listed company, and whose disqualification period has not yet expired.

Audit committee

According to the Company Law, a joint stock limited company may, in accordance with its articles of association, establish an audit committee composed of directors within its board of directors to exercise the powers and functions of the board of supervisors and may choose not to have a board of supervisors or any supervisor. The audit committee shall consist of three or more members. More than half of its members shall not hold any position in the company other than serving as directors, nor shall they have any relationship with the company that may affect their independent and objective judgment. Any employee representative on the board of directors of a company can serve as a member of the audit committee.

Senior management

According to the Company Law, a joint stock limited company shall have a manager who is appointed or dismissed by the board of directors. The manager is responsible to the board of directors and exercises his/her powers in accordance with the articles of association of the company or the authorization of the board of directors. The manager shall attend meetings of the board of directors in a non-voting capacity.

According to the Company Law, senior management refers to the manager, deputy manager(s), person-in-charge of finance, board secretary and other persons as stipulated in the articles of association.

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Duties of directors and senior management

Directors and senior management of the company are required under the Company Law to comply with the relevant laws, regulations and the articles of association, and have fiduciary and diligent duties to the company. Directors and senior management are prohibited from abusing their powers to accept bribes or other unlawful income and from misappropriating the company’s properties. Directors and senior management are prohibited from:

- embezzling the company’s property or misappropriating of the company’s capital;
- depositing the company’s capital into accounts under his/her own name or the name of other individuals;
- giving bribes or accepting any other illegal proceeds by taking advantage of their power;
- accept and possess commissions paid by a third party for transactions conducted with the company;
- disclosing confidential information of the company without authorization;
- other acts in violation of their fiduciary duty to the company.

Income generated by directors or senior management in violation of the aforementioned shall be returned to the company.

A director or senior management who contravenes any law, administrative regulations or the articles of association in the performance of his/her duties resulting in any loss to the company shall be personally liable for the damages to the company.

Finance and accounting

Under the Company Law, a company shall establish financial and accounting systems according to laws, administrative regulations and the regulations of the financial department of the State Council and shall at the end of each financial year prepare a financial and accounting report which shall be audited by an accounting firm as required by law.

When distributing the after-tax profits of the current year, a company shall allocate 10% of the profits to the company’s statutory reserve. The company can no longer withdraw statutory reserve fund if it has accumulated to more than 50% of the registered capital. If the statutory reserve fund of the company is insufficient to make up for the losses of the previous years, the profits of the current year shall be used to make up for the losses before making allocations to the statutory reserve. After the company has made an allocation to the statutory reserve fund from its after-tax profit, it may also make an allocation to the discretionary reserve fund from its after-tax profit upon a resolution of the shareholders’ meeting.

A joint stock limited company shall distribute profits in proportion to the shares held by its shareholders, unless it is otherwise provided in the articles of association. Shares held by the company itself shall not be entitled to profits distribution.

The premium over the nominal value of the shares of a joint stock limited company from the issue of shares and other incomes required by the financial department of the State Council to be treated as the capital reserve fund shall be accounted for as the capital reserve fund of the company.

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The reserve fund of the company shall be used to make up losses of the company, expand the production and operation of the company or increase the capital of the company. Where the reserve fund of a company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions. When the statutory reserve fund is converted to increase registered capital, the balance of the statutory reserve shall not be less than 25% of the registered capital of the company before such conversion.

The company shall have no other accounting books except the statutory accounting books. Its assets shall not be deposited in any accounts opened in the name of any individual.

Appointment and dismissal of accounting firms

The appointment or dismissal of an accounting firm responsible for the company’s auditing shall be determined by a shareholders’ meeting or the board of directors in accordance with the articles of association. The accounting firm should be allowed to make representations when the shareholders’ meeting or the board of directors conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal or withholding or falsification of information.

Amendments to articles of association

Amendments to the articles of association by a company must be made in accordance with the procedures set out in the articles of association. Where a change in registered items of a company involves an amendment to its articles of association, the amended articles of association shall be submitted to the relevant authorities in accordance with applicable laws.

Dissolution and liquidation

According to the Company Law, a company shall be dissolved for the following reason: (i) the term of its operations set down in the articles of association has expired or other events of dissolution specified in the articles of association have occurred, (ii) the shareholders’ meeting have resolved to dissolve the company, (iii) the company is dissolved by reason of merger or division, (iv) the business licence is revoked, or the company is ordered to close down or be dissolved, or (v) where the company encounters serious difficulties in its operation and management and its continuance shall cause a significant loss in the interest of shareholders, and where this cannot be resolved through other means, shareholders who hold more than 10% of the total shareholders’ voting rights of the company may present a petition to a people’s court for the dissolution of the company with the support of the judgment.

In the event of (i) and (ii) above, provided that the company has not yet distributed its assets to shareholders, it may continue to exist by amending its articles of association. The amendment of the articles of association in accordance with provisions set out above shall be approved by the shareholders representing more than two-thirds of the rights to vote or by the shareholders present at the shareholders’ meeting with more than two-thirds of the rights to vote.

Where the company is dissolved in the circumstances described in sub-paragraphs (i), (ii), (iv), or (v) above, it shall be liquidated. The directors, who are the persons obligated to carry out the liquidation, shall form a liquidation committee within 15 days from the date of occurrence of the cause of dissolution. The liquidation committee shall be composed of the directors, unless it is otherwise

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provided for in the articles of association or it is otherwise elected by the shareholders’ meeting. The persons obligated to carry out liquidation shall be liable for compensation if they fail to fulfill their obligations of liquidation in a timely manner resulting in any loss to the company or the creditors.

The liquidation committee shall exercise the following powers during the liquidation period:

- to liquidate the company’s property and respectively prepare balance sheet and list of property;
- to notify creditors by notice or public announcement;
- to deal with the outstanding business of the company involved in the liquidation;
- to pay all outstanding taxes and taxes arising in the course of liquidation;
- to liquidate claims and debts;
- to distribute the remaining property of the company after paying off debts; and
- to participate in civil litigations on behalf of the company.

The liquidation group shall notify the company’s creditors within 10 days after its establishment and issue public notices in newspapers or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall file their proofs of claim with the liquidation committee within 30 days as of the receipt of the notice or within 45 days as of the issuance of the public announcement in the case of failing to receive such notice.

After payment of liquidation expenses, salaries of employees, social insurance premiums, statutory compensations, outstanding taxes, and settlement of debts of the company, the remaining properties of the company shall be distributed in proportion to the shares held by the shareholders.

During the liquidation period, the company shall continue to exist but shall not carry out any business activities unrelated to the liquidation. No property of the company shall be distributed to shareholders until it is settled in accordance with the preceding paragraph.

If the liquidation committee, having thoroughly examined the company’s assets and having prepared a balance sheet and an inventory of assets, discovers that the company’s assets are insufficient to pay its debts in full, it shall file an application to a people’s court for bankruptcy liquidation. After the people’s court accepts the application for bankruptcy, the liquidation committee shall hand over the liquidation matters to the bankruptcy administrator designated by the people’s court.

Upon completion of the liquidation, the liquidation committee shall prepare a liquidation report to be submitted to the shareholders’ meeting or the people’s court for confirmation, and submit to the company registration authority to apply for cancellation of the company’s registration.

The members of the liquidation committee performing their duties of liquidation bear the duties of loyalty and diligence. Any member of the liquidation committee who neglects to fulfill his/her liquidation duties resulting in any loss to the company shall be liable for compensation, and any member of the liquidation committee who cause any loss to any creditor due to his/her intentional or gross negligence shall be liable for compensation.

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If a company fails to apply to the company registration authority for deregistration within three years from the date its business license was revoked, or it was ordered to close down, or it was dissolved, the company registration authority may issue a public announcement through the National Enterprise Credit Information Publicity System for a period of not less than 60 days. If there is no objection after the expiration of the announcement period, the company registration authority may cancel the registration of the company, but the liabilities of the company’s original shareholders and liquidation obligors are not affected.

Overseas listing

Pursuant to the Overseas Listing Trial Measures, an issuer that conducts an overseas initial public offering and listing, or conducts an offering and listing in another overseas market after an overseas offering and listing shall file a record with the CSRC within three business days after the relevant application is submitted. Subsequent securities offering of an issuer in the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within three business days after the offering is completed. Moreover, where the filing documents are complete and in compliance with stipulated requirements, the CSRC will, within twenty business days after receiving the filing documents, conclude the filing procedure and publish the filing results on its website. Where the filing documents are incomplete or do not conform to stipulated requirements, the CSRC shall request supplementation and amendment thereto within five business days after receiving the filing documents. The issuer shall then complete supplementation and amendment within thirty business days.

Loss of share certificates

If a registered share certificate is stolen, lost, or destroyed, the shareholder may, in accordance with the publicity and summons procedures stipulated in the Civil Procedure Law, apply to the people’s court for a declaration that such share certificate is invalid. After the people’s court declares the share certificate invalid, the shareholder may apply to the company for a replacement share certificate.

Merger and division

According to the Company Law, in the case of a merger, the merging parties shall sign a merger agreement and prepare a balance sheet and a property inventory. The company shall, within ten days after adopting the merger resolution, notify its creditors, and shall make a public announcement in a newspaper or through the National Enterprise Credit Information Publicity System within thirty days. Creditors may, within thirty days after receiving the notice, or within forty-five days after the announcement if they did not receive the notice, request the company to settle outstanding debts or provide appropriate guarantees.

In case of a division, the company’s assets shall be divided accordingly. The debts of the company which have accrued before the division shall be jointly borne by the divided companies, except where a written agreement concluded between the company and its creditors before the division concerning the settlement of debts provides otherwise.

Changes in registration resulting from a merger or division shall be made with the relevant registration authority in accordance with the law. Where a company is dissolved or a new company is established, deregistration or registration of the company shall be completed in accordance with the law.

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SECURITIES LAW AND REGULATIONS

The PRC has promulgated a number of regulations that relate to the issue and trading of shares and disclosure of information. In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions in the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions of securities markets, supervising securities companies, regulating public offers of securities by the PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities-related statistics and conducting relevant research and analysis. In April 1998, the State Council consolidated the two departments and reformed the CSRC.

The Securities Law was promulgated by the SCNPC on December 29, 1998, latest amended on December 28, 2019 and implemented on March 1, 2020. The Securities Law provides a series of provisions regulating, among other things, the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council’s securities regulatory authorities in the PRC, and comprehensively regulates activities in the PRC securities market. The Securities Law provides that a domestic enterprise must comply with the relevant provisions of the State Council in issuing securities directly or indirectly outside the PRC or listing and trading its securities outside the PRC. Currently, the issue and trading of foreign issued shares are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

The Arbitration Law of the PRC (《中華人民共和國仲裁法》) (the “**Arbitration Law**”), which was promulgated by the SCNPC on August 31, 1994, latest amended on September 12, 2025 and implemented on March 1, 2026, applies to economic disputes involving foreign parties, provided that the parties have entered into a written agreement to submit the dispute to an arbitration committee established in accordance with the Arbitration Law. Where the parties have reached an arbitration agreement and one of them files a lawsuit with a people’s court, the people’s court will refuse to handle the case, unless the arbitration agreement is invalid or otherwise provided by law.

Under the Arbitration Law and the Civil Procedure Law, an arbitral award is final and binding on the parties. If a party fails to comply with an award, the other party to the award may apply to the people’s court for enforcement. A people’s court may refuse to enforce an arbitral award made by an arbitration commission if there is any procedural irregularity (including irregularity in the composition of the arbitration committee or the making of an award on matters beyond the scope of the arbitration agreement or the jurisdiction of the arbitration commission).

A party seeking to enforce an arbitral award of the PRC arbitration commission against a party who, or whose property, is not within the PRC, may apply to a foreign court with jurisdiction over the case for recognition and enforcement. Similarly, an arbitral award made by a foreign arbitration commission may be recognized and enforced by the PRC courts in accordance with the principles of reciprocity or any international treaty concluded or acceded to by the PRC.

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According to the Arrangement of the Supreme People’s Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》) promulgated by the Supreme People’s Court on January 24, 2000 and implemented on February 1, 2000, and the Supplementary Arrangement of the Supreme People’s Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) promulgated by the Supreme People’s Court on November 26, 2020 and implemented on November 27, 2020, awards made by PRC arbitral authorities can be enforced in Hong Kong, and Hong Kong arbitration awards are also enforceable in the PRC.

APPENDIX VI

SUMMARY OF THE ARTICLES OF ASSOCIATION

This Appendix provides [REDACTED] with an overview of the Articles of Association of the Company. As the following information is in summary form, it does not contain all the information that may be material to [REDACTED].

SHARES AND REGISTERED CAPITAL

The Company shall issue shares in an open, equitable and fair manner, and each share of the same class shall rank *pari passu*.

Shares of the same class issued at the same time shall be issued under the same conditions and at the same price per share. Any entity or individual subscribing to such shares shall pay the same price per share.

INCREASE, REDUCTION AND REPURCHASE OF SHARES

Capital Increase

Based on the operation and development needs of the Company, and in accordance with the laws, regulations and securities regulatory rules of the place where the Company’s shares are listed, the Company may increase its capital by resolution of the shareholders’ meeting through the following methods:

- (i) issue of shares to unspecified parties;
- (ii) issue of shares to specified parties;
- (iii) distribution of bonus shares to existing shareholders;
- (iv) conversion of the reserve funds into share capital;
- (v) Other means stipulated by the laws, administrative regulations, securities regulatory rules of the place where the Company’s shares are listed and the CSRC.

Capital Reduction

The Company may reduce its registered capital and shall comply with the procedures stipulated in the Company Law, securities regulatory rules of the place where the Company’s shares are listed, other relevant regulations and the Articles of Association.

Repurchase of Shares

The Company shall not purchase its own shares except under any of the following circumstances:

- (i) reducing the Company’s registered capital;
- (ii) merging with other companies which hold the Company’s shares;
- (iii) using shares for an employee stock ownership plan or equity incentive;
- (iv) shareholders who vote against any resolutions on merger or division of the Company at a shareholders’ meeting requesting the Company to repurchase their shares;
- (v) using shares for conversion of convertible corporate bonds issued by the Company;
- (vi) necessary for the Company to maintain its value and protect the interests of the shareholders;

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- (vii) other circumstances permitted by applicable laws, administrative regulations, departmental rules, normative documents, securities regulatory rules of the place where the Company’s shares are listed, and relevant domestic and foreign securities regulatory authorities.

Transfer of Shares

The Company’s shares shall be transferred in accordance with the law. All the H Shares shall be transferred in writing by an instrument of transfer in usual or common form or in such form as may be accepted by the board of directors (including standard transfer format or transfer form specified by the HKSE from time to time); and such transfer instruments may be executed only by hand or under a valid corporate seal if the transferor or transferee is a corporation. If the transferor or transferee is a recognized clearing house as defined in relevant regulations in force from time to time under the laws of Hong Kong (hereinafter referred to as “**Recognized Clearing House**”) or its nominee(s), the transfer instruments may be executed by hand or by machine imprint. All the transfer instruments shall be kept at the legal address of the Company or at such address as designated by the board of directors from time to time.

The Company does not accept its own shares as the subject of pledge.

Shares issued by the Company prior to the public offering of A shares shall not be transferred within one year from the date on which the Company’s A shares are listed and traded on the Shanghai Stock Exchange.

Directors and senior management of the Company shall declare to the Company their shareholdings in the Company and any changes thereof, and shall not transfer more than 25% of the total number of the Company’s shares of the same class held by them each year during their terms of office as determined at the time of taking office; the shares of the Company held by them shall not be transferred within one year from the date on which the shares of the Company are listed and traded. The above personnel shall not transfer the shares of the Company held by them within half a year after they leave the Company. Where the laws, administrative regulations or securities regulatory rules of the place where the Company’s shares are listed contain any other provisions on the transfer of the Company’s shares, such provisions shall prevail.

Directors, senior management personnel of the Company, shareholders holding more than 5% of the Company’s shares (excluding the Recognized Clearing House or its nominee(s)), if selling the shares of the Company held or other equity securities held by them within 6 months after acquisition or buying back the shares within 6 months after selling, the profits from these transactions shall belong to the Company, and the board of directors shall reclaim the profits. However, this does not apply to securities companies holding over 5% of the shares due to the purchase of remaining stocks after underwriting and as well as other circumstances specified by the CSRC and securities regulatory rules of the place where the Company’s shares are listed.

Shares or other equity securities held by directors, senior management and individual shareholders as mentioned in the preceding paragraph include shares or other equity securities held by their spouse, parents, children, or held through accounts of other persons.

If the board of directors of the Company fails to comply with the provisions above, shareholders are entitled to request the board of directors to comply within 30 days. If the board of directors of the Company fails to comply within the aforementioned period, shareholders are entitled to file a lawsuit directly in their own name for the Company’s interests in the people’s court.

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If the board of directors fails to implement the provisions above, the responsible directors shall bear joint and several liability in accordance with law.

SHAREHOLDERS

Shareholders

The Company shall establish a register of shareholders based on certificates provided by the securities registration and clearing institution. The register of shareholders provides conclusive evidence of a shareholder's holding of shares in the Company. Shareholders enjoy rights and bear obligations according to the class of shares they hold; shareholders holding shares of the same class shall enjoy equal rights and bear the same obligations.

When convening shareholders' meetings, distributing dividends, conducting liquidation, or undertaking other acts requiring confirmation of shareholders' identity, the board of directors or the convener of the shareholders' meeting shall determine the record date. Shareholders registered on the record date after the close of trading shall be entitled to the relevant rights and benefits.

Shareholders of the Company shall enjoy the following rights:

- (i) to receive dividends and other distributions in proportion to the number of shares held;
- (ii) to request, convene, preside over, attend or appoint a proxy to attend the shareholders' meetings and to exercise the corresponding rights to vote in accordance with the law;
- (iii) to supervise, present proposals or raise enquiries in respect of the Company's operations;
- (iv) to transfer, donate or pledge the shares held by them in accordance with law, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association;
- (v) to review and copy the Articles of Association, register of shareholders, minutes of shareholders' meeting, resolutions of the board of directors and financial and accounting reports; qualified shareholders may inspect the Company's accounting books and vouchers;
- (vi) to participate in the distribution of the remaining assets of the Company in proportion to the number of shares they hold upon termination or liquidation of the Company;
- (vii) shareholders who object to resolutions of merger or division of the Company made by the shareholders' meeting may request the Company to purchase the shares they hold;
- (viii) other rights stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

If a shareholder requests to inspect or copy the relevant materials of the Company, he/she shall comply with the provisions of laws and regulations, such as the Company Law, the Securities Law and the Hong Kong Listing Rules, and provide the Company with written documents proving the class and number of the shares he/she holds in the Company. The Company shall provide the relevant information and materials as requested by the shareholder upon verification of his/her identity.

Shareholders who individually or jointly hold 3% or more of the Company's shares for 180 consecutive days or more and request to inspect the Company's accounting books and vouchers shall submit a written request to the Company, stating the purpose. If the Company has reasonable grounds to

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SUMMARY OF THE ARTICLES OF ASSOCIATION

believe that the shareholder’s inspection of the accounting books and vouchers is for an improper purpose and may harm the Company’s interests, the Company may refuse to provide access and shall, within 15 days from the date of the shareholder’s written request, reply in writing to the shareholder and state the reasons.

Shareholders of the Company shall undertake the following obligations:

- (i) to comply with laws, administrative regulations, securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association;
- (ii) to pay up the subscription price in accordance with the shares subscribed and the method of contribution;
- (iii) not to withdraw their capital unless otherwise stipulated by laws or regulations;
- (iv) not to abuse shareholder rights to infringe upon the interests of the Company or other shareholders; nor to abuse the independent status of the Company as a legal person and the limited liability of shareholders to harm the interests of the Company’s creditors;
- (v) other obligations stipulated by laws, administrative regulations, securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association.

Any shareholder who abuses the shareholders’ rights and thereby causes loss to the Company or other shareholders, shall bear liability for compensation in accordance with the law. Any shareholder who abuses the independent status of the Company as a legal person and the limited liability of shareholders to evade debts, thereby causing serious harm to the interests of the Company’s creditors, shall bear joint and several liability for the Company’s debts.

The Controlling Shareholders

The controlling shareholder and the de-facto controller of the Company shall exercise their rights and fulfil their obligations in accordance with laws, administrative regulations, securities regulatory rules of the place where the Company’s shares are listed and the provisions of the CSRC and the stock exchange, and shall safeguard the interests of the Company.

SHAREHOLDERS’ MEETING

General Provisions of the Shareholders’ Meeting

The shareholders’ meeting of the Company consists of all shareholders. The shareholders’ meeting is the organ of authority of the Company and exercises the following powers in accordance with the laws:

- (i) to elect and replace directors who are not appointed as employee representatives and decide on matters concerning the remuneration of such directors;
- (ii) to consider and approve reports of the board of directors;
- (iii) to consider and approve the Company’s profit distribution plans and loss recovery plans;
- (iv) to decide on any increase or decrease of the Company’s registered capital;
- (v) to decide on the issuance of corporate bonds by the Company;

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- (vi) to decide on the merger, division, dissolution, liquidation or change of corporate form of the Company;
- (vii) to amend the Articles of Association;
- (viii) to decide on the appointment and dismissal of the accounting firm of the Company that undertakes the Company’s auditing services;
- (ix) to consider and approve the guarantee matters stipulated in Article 48 of the Articles of Association;
- (x) to consider and approve the matters relating to changes of the use of proceeds;
- (xi) to consider and approve the equity incentive plans and employee stock ownership plans;
- (xii) to consider and approve major transaction matters that occur outside the Company’s ordinary course of business and meet the relevant criteria specified in the Articles of Association (excluding transactions such as financial assistance, external guarantees, and those in which the Company receives donated cash assets or obtains debt relief, etc., where no consideration is paid and no obligations are attached);
- (xiii) to consider and approve financial assistance matters that, as stipulated in the Articles of Association, must be submitted to the shareholders’ meeting for consideration;
- (xiv) to consider and approve connected transaction matters where the transaction amount (including debts and expenses assumed) between the Company and the related party exceeds RMB 30 million and accounts for more than 5% of the absolute value of the Company’s latest audited net assets (excluding external guarantees);
- (xv) to consider and approve transactions between the Company and connected party that reach the threshold under Chapter 14A of the Hong Kong Listing Rules for which approval by the shareholders’ meeting is required;
- (xvi) to consider and approve matters concerning the Company’s external donations and sponsorships exceeding RMB 500,000;
- (xvii) to consider other matters which shall be decided by the shareholders’ meeting as required by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company’s shares are listed, or the Articles of Association.

The shareholders’ meeting may authorize the board of directors to make resolutions on the issuance of corporate bonds.

Except as otherwise provided under the laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed and the requirements of the CSRC and the stock exchange, the powers of the shareholders’ meeting above shall not be exercised by the board of directors or other institutions or individuals on their behalf by means of authorization.

The following external guarantees of the Company shall be considered and approved by the shareholders’ meeting after being approved by the board of directors:

- (i) a single guarantee with an amount exceeding 10% of the Company’s latest audited net assets;

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- (ii) any provision of guarantee after the total amount of external guarantees of the Company and its controlled subsidiaries has exceeded 50% of the latest audited net assets of the Company;
- (iii) any provision of guarantee after the total amount of external guarantees of the Company and its controlled subsidiaries has exceeded 30% of the latest audited total assets of the Company;
- (iv) the cumulative amount of guarantees within the last 12 months has exceeded 30% of the latest audited total assets of the Company;
- (v) guarantees provided to guarantee parties with an asset-liability ratio exceeding 70%;
- (vi) guarantees provided to the shareholders, the de-facto controller and their related parties;
- (vii) other guarantees as provided for by laws, administrative regulations, or the securities regulatory rules of the place where the Company’s shares are listed.

When considering the guarantee in item (iv) of the preceding paragraph, it shall be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

The shareholders’ meetings are classified into annual shareholders’ meeting and extraordinary shareholders’ meeting. The annual shareholders’ meeting shall be convened once a year and be held within six months after the end of the previous financial year.

The Company shall convene an extraordinary shareholders’ meeting within two months from the date of the occurrence of any of the following circumstances:

- (i) where the number of directors is less than two-thirds of the number as prescribed in the Articles of Association, or less than the number of directors as prescribed in the Company Law;
- (ii) when the uncovered losses of the Company have reached one-third of the total paid-in share capital;
- (iii) upon request by shareholders holding individually or jointly more than 10% of the Company’s shares;
- (iv) when the board of directors deems necessary;
- (v) when the audit committee deems necessary;
- (vi) other circumstances stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company’s shares are listed, or the Articles of Association.

Convening of Shareholders’ Meeting

The board of directors shall convene the shareholders’ meeting within the prescribed time limit.

Independent directors have the right to propose to the board of directors to convene an extraordinary shareholders’ meeting with the consent of more than half of all independent directors. Regarding the proposal of the independent directors to convene an extraordinary shareholders’ meeting,

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the board of directors shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association, provide a written reply of consent or refusal within 10 days after receipt of the proposal.

If the board of directors agrees to convene an extraordinary shareholders’ meeting, it shall issue a notice of such meeting within 5 days after the board resolution is passed; if the board of directors does not agree to convene an extraordinary shareholders’ meeting, it shall state the reasons and make an announcement.

The audit committee has the right to propose to the board of directors to convene an extraordinary shareholders’ meeting with a written proposal. The board of directors shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association, provide a written reply of consent or refusal within 10 days after receipt of the proposal.

If the board of directors agrees to convene an extraordinary shareholders’ meeting, it shall issue a notice of such meeting within 5 days after the board resolution is passed; any amendments to the original proposal contained in the notice shall require the consent of the audit committee.

If the board of directors does not agree to convene an extraordinary shareholders’ meeting, or fails to respond within 10 days, it shall be deemed that the board is unable or unwilling to fulfil its duty to convene the shareholders’ meeting. In such circumstances, the audit committee may convene and preside over the meeting itself.

Shareholders holding individually or jointly more than 10% of the Company’s shares (including preferred shares with voting rights restored, but excluding treasury shares) have the right to request the board of directors to convene an extraordinary shareholders’ meeting, and shall make such request to the board of directors in writing. The board of directors shall, in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association, provide a written reply of consent or refusal within 10 days after receipt of the request.

If the board of directors agrees to convene an extraordinary shareholders’ meeting, it shall issue a notice of such meeting within 5 days after the board resolution is passed; any amendments to the original proposal contained in the notice shall require the consent of the relevant shareholders.

If the board of directors does not agree to convene an extraordinary shareholders’ meeting, or fails to respond within 10 days, the relevant shareholders have the right to propose to the audit committee to convene an extraordinary shareholders’ meeting with a written request.

If the audit committee agrees to convene an extraordinary shareholders’ meeting, it shall issue a notice of convening such meeting within 5 days after receipt of the request. Any changes to the original request in the notice shall be approved by relevant shareholders.

If the audit committee fails to issue a notice of the shareholders’ meeting within the prescribed time limit, the audit committee shall be deemed not to convene and preside over the shareholders’ meeting, and the shareholders who individually or jointly hold more than 10% of the Company’s shares (including preferred shares with voting rights restored, but excluding treasury shares) for more than 90 consecutive days may convene and preside over the meeting on their own.

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Proposal and Notice of the Shareholders’ Meeting

When the Company convenes a shareholders’ meeting, the board of directors, the audit committee and shareholders who individually or jointly hold 1% or more of the Company’s shares (including preferred shares with voting rights restored, but excluding treasury shares) are entitled to put forward proposals to the Company.

Shareholders holding individually or jointly more than 1% of the Company’s shares may submit an interim proposal in writing to the convener 10 days before the shareholders’ meeting. The convener shall issue a supplemental notice within 2 days after receiving such proposal to announce the content of the interim proposal and submit it to the shareholders’ meeting for consideration, unless the interim proposal violates the laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed or the Articles of Association, or does not fall within the scope of the terms of reference of the shareholders’ meeting. If the shareholders’ meeting is required to be postponed due to the issuance of a supplementary notice of the shareholders’ meeting under the securities regulatory rules of the place where the Company’s shares are listed, the convening of the shareholders’ meeting shall be postponed in accordance with such securities regulatory rules.

Except for the circumstances prescribed in the preceding paragraph, after the convener has issued the notice of shareholders’ meeting, the proposals specified in the notice of the shareholders’ meeting shall not be modified or increased by adding new proposals.

The shareholders’ meeting shall not vote on and make resolutions with respect to any proposal that is not set forth in the notice of the shareholders’ meeting or that does not comply with the provisions of the Articles of Association.

The convener shall notify all shareholders in the form of announcement 21 days before the annual shareholders’ meeting and shall notify all shareholders in the form of announcement 15 days before an extraordinary shareholders’ meeting. For the purpose of calculating the starting date of the aforesaid “21 days” and “15 days”, the day on which the meeting is held shall be excluded.

Holding of Shareholders’ Meeting

All shareholders whose names appear on the register of shareholders on the record date, or their proxies, are entitled to attend the shareholders’ meeting and exercise the voting rights in accordance with the relevant laws, regulations, securities regulatory rules of the place where the Company’s shares are listed, and the Articles of Association.

Shareholders may attend the shareholders’ meeting in person or appoint a proxy to attend and vote on their behalf.

Where an individual shareholder attends the meeting in person, they shall present their identity card or other valid documentation or proof establishing their identity. Where attending on behalf of another, they shall present their own valid identity documentation and a letter of authorization from the shareholder.

Corporate shareholders shall be represented at the meeting by their legal representative or a proxy appointed by the legal representative. Where the legal representative attends, they shall present their identity card and valid proof of their capacity as legal representative. Where a proxy attends, the proxy shall present their identity card and a written authorization letter lawfully issued by the legal representative of the corporate shareholder (excluding the Recognized Clearing House or its nominee(s)).

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If the shareholder is a Recognized Clearing House or its nominee(s), the shareholder may authorize one or more persons as it deems appropriate to act as its representative at any shareholders’ meeting or creditors’ meeting; however, if more than one person is authorized, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorized. A person so authorized may act on behalf of the Recognized Clearing House or its nominee(s) (without presenting a shareholding certificate, notarized authorization and/or further evidence confirming its duly authorized), and have the same statutory rights as other shareholders as if such person were an individual shareholder of the Company.

Resolutions of the Shareholders’ Meeting

The resolutions of the shareholders’ meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution of the shareholders’ meeting shall be passed by votes representing more than half of the voting rights represented by the shareholders present at the meeting.

A special resolution of the shareholders’ meeting shall be passed by votes representing more than two-thirds of the voting rights represented by the shareholders present at the meeting.

The following matters shall be passed by an ordinary resolution of the shareholders’ meeting:

- (i) work reports of the board of directors;
- (ii) profit distribution plan and loss recovery plan formulated by the board of directors;
- (iii) appointment and removal of members of the board of directors, and their remuneration and methods of payment;
- (iv) any other matter other than those to be decided by special resolutions as required by laws, administrative regulations, securities regulatory rules of the place where the Company’s shares are listed, or the Articles of Association.

The following matters shall be passed by a special resolution of the shareholders’ meeting:

- (i) increase or decrease of the registered capital of the Company;
- (ii) division, split-off, merger, dissolution or liquidation of the Company;
- (iii) the amendment to the Articles of Association;
- (iv) the Company’s acquisition or disposal of material assets or provision of guarantees to other parties conducted within the period of one year with a value exceeding 30% of the latest audited total assets of the Company;
- (v) share incentive plans;
- (vi) other matters required by the laws, administrative regulations, securities regulatory rules of the place where the Company’s Shares are listed or the Articles of Association, and matters that, as determined by the shareholders’ meeting by ordinary resolution, could materially affect the Company and need to be approved by special resolution.

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DIRECTORS AND BOARD OF DIRECTORS

Directors

The directors of the Company may include executive directors, non-executive directors, and independent directors. Non-executive directors refer to directors who do not hold any management or operational positions in the Company. The directors of the Company shall be natural persons. A person shall not serve as a director of the Company under any of the following circumstances:

- (i) a person without civil capacity or with limited civil capacity;
- (ii) a person who has been sentenced to any criminal penalty due to an offence of corruption, bribery, encroachment of property, misappropriation of property, or disrupting the order of the socialist market economy, or has been deprived of political rights due to a crime, where a five-year period has not elapsed since the date of completion of the sentence; if he/she is pronounced for suspension of sentence, a two-year period has not elapsed since the expiration of the suspension period;
- (iii) a person who was a director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of such company or enterprise;
- (iv) a person who was a legal representative of a company or enterprise which had its business license revoked due to violation of the law and had been closed down by order, and who was personally liable, where less than three years have elapsed since the date of the revocation of the business license of the company or enterprise or the order for closure;
- (v) a person being listed as one of “dishonest persons subject to enforcement” by the people’s court due to his/her failure to pay off a relatively large amount of due debts;
- (vi) a person who has been banned from the securities market by the CSRC where the relevant period remains unexpired;
- (vii) a person who has been publicly recognized by the stock exchange as unsuitable to serve as a director or senior management officer of a listed company, with an unexpired term; or
- (viii) other circumstances as prescribed by laws, administrative regulations, departmental rules or securities regulatory rules of the place where the Company’s shares are listed.

Where the Company elects or appoints directors in violation of the preceding paragraph, such election, appointment, or engagement shall be invalid. Where a director falls under the circumstances described in the preceding paragraph during their term of office, the Company shall remove them from their position and cease their service.

Directors shall abide by the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed, and the Articles of Association, owe duties of loyalty to the Company, take measures to avoid conflicts between their own interests and the interests of the Company, and shall not use their powers to seek improper interests.

Directors owe the following duties of loyalty to the Company:

- (i) shall not embezzle the Company’s property nor misappropriate the Company funds;

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- (ii) shall not use the Company’s funds to open and deposit into accounts in their own name or other individuals’ names;
- (iii) shall not take advantage of their positions to bribe or accept other illegal income;
- (iv) shall not, without reporting to the board of directors or the shareholders’ meeting, and without being approved by a resolution of the board of directors or shareholders’ meeting in accordance with the Articles of Association, directly or indirectly enter into contracts or conduct transactions with the Company;
- (v) shall not, by taking advantage of their position, seek for themselves or others any business opportunity that belongs to the Company, unless such opportunity has been reported to the board of directors or the shareholders’ meeting and approved by a resolution of the shareholders’ meeting, or the Company is unable to take advantage of such business opportunity in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed, or the provisions of the Articles of Association;
- (vi) shall not, without reporting to the board of directors or the shareholders’ meeting and being approved by a resolution of the shareholders’ meeting, engage in any business of the same type as that of the Company on their own behalf or on behalf of others;
- (vii) shall not retain commissions for themselves from transactions between other parties and the Company;
- (viii) shall not disclose Company secrets without authorization;
- (ix) shall not harm the Company’s interests through their related-party relationships;
- (x) other duties of loyalty as prescribed by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company’s shares are listed, and the Articles of Association.

Income obtained by directors in violation of the provisions of this article should belong to the Company. Directors causing losses to the Company due to such violation shall be liable for compensation.

The provisions of item (iv) above shall apply to the close relatives of directors and senior management officers, enterprises directly or indirectly controlled by directors or senior management officers or their close relatives, and other related parties of directors or senior management officers, who enter into contracts or conduct transactions with the Company.

Directors shall abide by the requirements by laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are listed, and the Articles of Association, owe duties of diligence to the Company, and in performing their duties, shall exercise the reasonable care that a manager would normally exercise for the best interests of the Company.

Directors owe the following duty of diligence to the Company:

- (i) to exercise the rights granted by the Company with caution, seriousness, and diligence, so as to ensure that the Company’s business activities comply with the requirements of national laws, administrative regulations, and various national economic policies, and that its business activities do not exceed the business scope specified in its business license;

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- (ii) to treat all shareholders fairly;
- (iii) to keep timely informed of the Company’s business and management status;
- (iv) to sign written confirmation opinions on the Company’s periodic reports, and to ensure that the information disclosed by the Company is true, accurate, and complete;
- (v) to truthfully provide relevant information and materials to the audit committee, and shall not obstruct the audit committee from exercising its powers; and
- (vi) other duties of diligence as prescribed by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company’s shares are listed, and the Articles of Association.

Board of Directors

The Company establishes a board of directors, which is responsible to the shareholders’ meeting. The board consists of 10 directors, including 1 employee representative director and 4 independent directors. The board has 1 chairman and 1 vice chairman. The chairman and vice chairman are elected by the board of directors by a majority vote of all directors.

The board of directors shall exercise the following powers:

- (i) to convene shareholders’ meetings and report on work to the shareholders’ meeting;
- (ii) to implement resolutions of the shareholders’ meetings;
- (iii) to determine the Company’s business plans and investment proposals;
- (iv) to formulate the Company’s annual financial budget and final accounts;
- (v) to formulate the Company’s profit distribution plans and loss recovery plans;
- (vi) to formulate proposals for the increase or reduction of the Company’s registered capital and the issuance of corporate bonds or other securities, and listing plans;
- (vii) to draft plans for major acquisitions, repurchase of the Company’s shares, or merger, division, dissolution, and changes in the Company’s form;
- (viii) within the scope authorized by the shareholders’ meeting, decide on matters such as the Company’s external investments, acquisition or sale of assets, asset mortgages, external guarantees, entrusted asset management, related transactions, and external donations;
- (ix) to decide on the establishment of the Company’s internal management structure;
- (x) to decide on the appointment or dismissal of the Company’s general manager, board secretary, and other senior management, and determine their remunerations and rewards/punishments; based on the general manager’s nomination, decide on the appointment or dismissal of deputy general managers, chief financial officers, and other senior management, and determine their remunerations and rewards/punishments;
- (xi) to formulate the Company’s fundamental management systems;
- (xii) to formulate proposals for any amendment to the Articles of Association;

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- (xiii) to manage the Company’s information disclosure matters;
- (xiv) to propose to the shareholders’ meeting the appointment or replacement of the accounting firm that provides audit service to the Company;
- (xv) to hear work reports from the general manager and inspect the general manager’s work;
- (xvi) to review the Company’s compliance with the Corporate Governance Code (Appendix C1 to the Hong Kong Listing Rules) and the disclosure in the corporate governance report;
- (xvii) to exercise other powers granted by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company’s shares are listed, the Articles of Association, or the shareholders’ meeting.

Board meetings are divided into regular meetings and extraordinary meetings. The board of directors shall hold at least four meetings each year, convened by the chairman. For regular meetings, written notice shall be given to all directors 14 days prior to the meeting.

Shareholders representing more than one-tenth of the voting rights, more than one-third of the directors, the audit committee, or the meeting of the Party organization may propose to convene an extraordinary meeting of the board of directors. The chairman shall, within 10 days after receiving the proposal, convene and preside over the board meeting.

A board meeting may be held only if more than half of the directors are present. Unless otherwise provided in the Articles of Association, a board resolution must be approved by more than half of all directors.

If a director has a connected relationship with the enterprise or individual involved in the matter to be resolved by the board meeting, such director shall promptly make a written report to the board of directors. The director with a connected relationship shall not exercise voting rights on that resolution, nor shall they act as a proxy for other directors in exercising voting rights. The board meeting may be held with the attendance of a majority of the disinterested directors, and the resolution passed at the board meeting must be approved by a majority of the disinterested directors. If the number of disinterested directors present at the board meeting is less than three, the matter shall be submitted to the shareholders’ meeting for review. If any laws, regulations, or securities regulatory rules of the place where the Company’s shares are listed impose additional restrictions on directors’ participation in board meetings and voting, such restrictions shall prevail.

Independent Directors

Independent directors shall, in accordance with laws, administrative regulations, the rules of the CSRC, the securities regulatory rules of the place where the Company’s shares are listed, the rules of the stock exchange, and the Articles of Association, perform their duties conscientiously, play the roles of participating in decision-making, supervision and checks and balances, and providing professional advice within the board of directors, safeguard the overall interests of the Company, and protect the legitimate rights and interests of the minority shareholders.

Independent directors shall maintain independence. The following persons shall not serve as independent directors:

- (i) persons who hold a position in the Company or its subsidiaries, as well as their spouses, parents, children and major social relations;

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- (ii) natural person shareholders who directly or indirectly hold 1% or more of the Company’s issued shares or who are among the top ten shareholders of the Company, as well as their spouses, parents and children;
- (iii) persons who hold a position in a shareholder that directly or indirectly holds 5% or more of the Company’s issued shares or in a shareholder that is among the top five shareholders of the Company, as well as their spouses, parents and children;
- (iv) persons who hold a position in the subsidiaries of the Company’s controlling shareholder or de-facto controller, as well as their spouses, parents and children;
- (v) persons who have material business dealings with the Company, its controlling shareholder, de-facto controller, or any of their respective subsidiaries, or persons who hold a position in an entity with which the Company has material business dealings or in the controlling shareholder or de-facto controller of such entity;
- (vi) persons who provide financial, legal, consulting, sponsorship, or other services to the Company, its controlling shareholder, de-facto controller, or any of their respective subsidiaries, including but not limited to all project team members, reviewers at all levels, signatories of reports, partners, directors, senior management, and principal responsible persons of the intermediary institutions providing such services;
- (vii) persons who, within the last twelve months, have had any of the circumstances listed in items (i) to (vi);
- (viii) other persons who lack independence as stipulated by laws, administrative regulations, regulations of the CSRC, securities regulatory rules of the place where the Company’s shares are listed, rules of the stock exchange, and the Articles of Association.

Special Committees under the Board

The board of directors shall establish an audit committee, a remuneration and evaluation committee, a nomination committee and a strategy and ESG committee. These special committees perform their duties according to the Articles of Association and the authorization granted by the board of directors. Proposals made by special committees shall be submitted to the board of directors for deliberation.

SENIOR MANAGEMENT

General Manager

The Company shall have one general manager, who shall appointed or dismissed by the board of directors.

The Company shall have one to eight deputy general managers, who shall appointed or dismissed by the board of directors.

The general manager, deputy general managers, chief financial officer, and board secretary of the Company are senior management personnel of the Company.

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The general manager is responsible to the board of directors and exercises the following powers:

- (i) to be in charge of the Company’s production, operation and management, and to organize and implement the resolutions of the board of directors and report on works to the board of directors;
- (ii) to organize and implement the Company’s annual business plan and investment proposals;
- (iii) to prepare the plan for establishing the Company’s internal management structure;
- (iv) to develop the Company’s basic management system;
- (v) to formulate the Company’s specific rules;
- (vi) to propose to the board of directors on the appointment or dismissal of deputy general managers and chief financial officer of the Company;
- (vii) to decide on the appointment or dismissal of the Company’s management personnel, except those who should be appointed or dismissed by the board of directors;
- (viii) to exercise any other duties granted by securities regulatory rules of the place where the Company’s shares are listed, the Articles of Association or the board of directors.

Board Secretary

The Company shall have a board secretary, who is responsible for preparing for the shareholders’ meeting and the meetings of the board of directors, keeping documents and shareholders’ materials and handling matters relating to information disclosure, etc.

The board secretary shall abide by the relevant provisions of laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company’s shares are listed and the Articles of Association.

FINANCIAL ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Financial Accounting System

The Company shall formulate its financial accounting system in accordance with laws, administrative regulations, securities regulatory rules of the place where the Company’s shares are listed and the requirements of relevant departments of the State.

The Company shall submit and disclose its annual reports to the local office of the CSRC and the stock exchange within four months from the ending date of each financial year as required, and submit and disclose the half-year reports to the local office of the CSRC and the stock exchange within two months from the ending date of the first six months of each financial year as required.

Other than the statutory accounting books, the Company shall not establish another accounting book. The Company’s assets shall not be deposited under any personal accounts.

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Profit Distribution

When the Company distributes its after-tax profits for the current year, it shall allocate 10% of such profits into the Company’s statutory reserve fund. If the cumulative amount of the company’s statutory reserve fund exceeds 50% of the Company’s registered capital, no more allocation shall be required.

If the Company’s statutory reserve fund is insufficient to cover losses of the preceding year, the current year’s profits shall first be used to cover such losses before making the allocation into the statutory reserve fund in accordance with the preceding paragraph.

After allocating its after-tax profits to the statutory reserve fund, the Company may also, upon a resolution of the shareholders’ meeting, allocate a discretionary reserve fund from its after-tax profits.

The remaining after-tax profits, after covering losses and allocating reserves, shall be distributed to shareholders in proportion to their shareholdings, unless otherwise provided in the Articles of Association that distribution shall not be made in proportion to shareholdings.

If the shareholders’ meeting distributes profits to shareholders in violation of the Company Law and the Hong Kong Listing Rules, the shareholders shall return the profits so distributed to the Company; in case of losses caused to the Company, the shareholders and the responsible directors and senior management shall be liable for compensation.

Shares held by the Company itself shall not participate in profit distribution.

The Company shall appoint one or more collection agents in Hong Kong for its holders of H shares. The collection agent shall, on behalf of the relevant H-share holders, collect and hold the dividends and other amounts payable by the Company in respect of the H shares for subsequent payment to such H-share holders. The collection agent appointed by the Company shall comply with the requirements of laws, regulations and securities regulatory rules of the place where the Company’s shares are listed.

After the shareholders’ meeting has adopted a resolution on the profit distribution plan, or after the board of directors has formulated a specific plan based on the conditions and cap for the interim dividend for the next year as approved by the annual shareholders’ meeting, the distribution of dividends (or shares) shall be completed within two months.

Internal Audit

The Company implements an internal audit system and specifies the leadership structure, responsibilities and authority, staffing, funding support, utilization of audit results, and accountability for internal audit work.

The internal audit institution shall be accountable to the board of directors. In the course of supervising and inspecting the Company’s business activities, risk management, internal controls and financial information, the internal audit institution shall accept the supervision and direction of the audit committee. If the internal audit institution identifies any material issues or leads, it shall report them directly to the audit committee immediately.

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Appointment of Accounting Firm

The Company shall appoint an accounting firm which complies with the regulations of the Securities Law and securities regulatory rules of the place where the Company’s shares are listed to audit the financial statements, examine the net assets of the Company and conduct other relevant consultancy services. The term of office of an accounting firm is one year which may be extended.

The appointment of the accounting firm shall be determined by the shareholders’ meeting. The board of directors shall not appoint any accounting firm before the shareholders’ meeting makes such a decision.

The audit fee of the accounting firm shall be decided by the shareholders’ meeting.

NOTICES AND ANNOUNCEMENT

Notices of the Company may be issued in the following manner:

- (i) by personal delivery;
- (ii) by mail;
- (iii) by announcement;
- (iv) other means stipulated by the relevant regulatory authorities or securities regulatory rules of the place where the Company’s shares are listed, or the Articles of Association.

With respect to the means by which the Company provides and/or distributes corporate communications to holders of H shares in accordance with the securities regulatory rules of the Company’s stock listing place, subject to compliance with such rules, the Company may send or provide corporate communications to its H share shareholders by electronic means or by posting information on the Company’s website or the website of the stock exchange where the Company’s shares are listed.

DISSOLUTION AND LIQUIDATION OF THE COMPANY

The Company may be dissolved for the following reasons:

- (i) the term of business operation as stipulated by the Articles of Association expires or other circumstances for dissolution as stipulated by the Articles of Association arise;
- (ii) the shareholders’ meeting resolves to dissolve the Company;
- (iii) dissolution is necessary as a result of the merger or division of the Company;
- (iv) the business license is revoked or the Company is ordered to close down or to be deregistered according to laws;
- (v) serious difficulties arise in the operation and management of the Company and its continued existence would cause material loss to the interests of the shareholders and such difficulties cannot be resolved through other means, in which case shareholders holding 10% or more of all shareholders’ voting rights of the Company may file a petition to the people’s court to dissolve the Company.

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Where the Company encounters the dissolution circumstances specified in the preceding paragraph, it shall disclose such circumstances through the National Enterprise Credit Information Publicity System and the website of the HKSE within ten days.

Where the Company falls under the circumstances set forth in items (i) and (ii) above and has not yet distributed its assets to shareholders, the Company may continue to exist by amending the Articles of Association or by adopting a resolution of the shareholders’ meeting.

Any amendment to the Articles of Association or resolution of the shareholders’ meeting made in accordance with the preceding paragraph shall be adopted by a vote of more than two-thirds of the voting rights held by the shareholders present at the shareholders’ meeting.

Where the Company is dissolved according to item (i), (ii), (iv) or (v) above, a liquidation group shall be established within fifteen days of the occurrence of the event of dissolution, and liquidation shall be carried out. The liquidation group shall be composed of directors or the persons designated by the shareholders’ meeting. Where the liquidation group is not established to commence liquidation within the prescribed time limit, the creditors may apply to the people’s court to designate related persons to form the liquidation group to commence liquidation. If the liquidation obligors fail to fulfill their liquidation obligations in a timely manner and cause losses to the Company or creditors, they shall be liable for compensation.

The liquidation group shall notify the creditors within 10 days after its establishment and issue public notices in newspapers or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall file their claims with the liquidation group within 30 days of receipt of the notice, or within 45 days from the date of the public announcement if no notice is received. When filing claims, creditors shall state the relevant details of the claims and provide supporting evidence. The liquidation group shall register the claims. During the claim filing period, the liquidation group shall not make any repayments to creditors.

After liquidating the Company’s assets, preparing the balance sheet and list of assets, the liquidation group shall formulate a liquidation plan and submit it to the shareholders’ meeting or the people’s court for confirmation.

After the Company’s assets have been used to pay, in order, the liquidation expenses, employees’ wages, social insurance premiums and statutory compensation, the outstanding taxes, and the Company’s debts, the remaining assets shall be distributed to the shareholders in proportion to their shareholdings.

During the liquidation period, the Company shall continue to exist but may not engage in any business activities unrelated to the liquidation. The Company’s assets shall not be distributed to the shareholders until after the payments specified in the preceding paragraph have been made.

If, after liquidating the Company’s assets, preparing the balance sheet and list of assets, the liquidation group finds that the Company’s assets are insufficient to repay its debts, it shall apply to the people’s court for bankruptcy in accordance with the law.

After the people’s court accepts the bankruptcy application, the liquidation group shall hand over the liquidation matters to the bankruptcy administrator appointed by the people’s court.

After the Company’s liquidation is completed, the liquidation group shall prepare a liquidation report, submit it to the shareholders’ meeting or the people’s court for confirmation, and file it with the company registration authority to apply for deregistration of the Company.

APPENDIX VI**SUMMARY OF THE ARTICLES OF ASSOCIATION**

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the articles of association under any of the following circumstances:

- (i) after the amendment of the Company Law or relevant laws, administrative regulations, or securities regulatory rules of the place where the Company’s shares are listed, the Articles of Association conflict with the provisions of the amended laws, administrative regulations, or securities regulatory rules of the place where the Company’s shares are listed;
- (ii) the Company’s circumstances have changed and are inconsistent with the matters recorded in the Articles of Association;
- (iii) the shareholders’ meeting has resolved to amend the Articles of Association.

Where the amendments to the Articles of Association passed by the shareholders’ meeting are subject to approval by the competent authority, these amendments shall be submitted thereto for approval. Where the amendments involve matters of company registration, the Company shall apply for change in registration in accordance with the law.

If the amendments to the Articles of Association involve information that is required to be disclosed under laws, regulations or the securities regulatory rules of the place where the Company’s shares are listed, the Company shall make public disclosure in accordance with such requirements.

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FURTHER INFORMATION ABOUT OUR COMPANY AND OUR SUBSIDIARIES

Incorporation

Our Company, then known as Zhejiang Yiwu China Commodity City Co., Ltd. (浙江義烏中國小商品城股份有限公司), was incorporated on December 28, 1993. Our Company was renamed Zhejiang China Commodities City Group Co., Ltd. (浙江中國小商品城集團股份有限公司) on September 26, 1995, and completed the listing of its A Shares on the Main Board of the Shanghai Stock Exchange (stock code: 600415.SH) on May 9, 2002. As of the Latest Practicable Date, the total share capital of the Company was RMB5,483,559,226, comprising 5,483,559,226 A Shares of nominal value of RMB1.00 each.

Our principal place of business in Hong Kong is at Room 1912, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong. Our Company has been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance with the Registrar of Companies in Hong Kong on May 5, 2026. Dr. WONG Keith Shing Cheung has been appointed as the authorized representative of our Company for the acceptance of service of process in Hong Kong whose address for service of process is Room 1912, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.

As the Company was established in the PRC, its operations are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and the Articles of Association is set out in Appendix IV and Appendix V to this document, respectively.

Changes in Share Capital of our Company

The following sets out the changes in the share capital of our Company within two years immediately preceding the date of this document:

- (a) A repurchase and cancellation of 688,250 shares of restricted A Shares granted under our 2020 restricted share incentive Plan was approved by the Board on August 14, 2024, in respect of seven participants who no longer met the eligibility requirements due to transfer, resignation or retirement. The repurchase and cancellation were completed on October 28, 2024, reducing our total share capital from 5,484,334,176 shares to 5,483,645,926 shares.
- (b) A repurchase and cancellation of 86,700 shares of restricted A Shares granted under our 2020 restricted share incentive plan was approved by the Board on August 14, 2025, in respect of three participants who retired and thus ceased to meet the eligibility requirements. The repurchase and cancellation were completed on October 24, 2025, reducing our total share capital from 5,483,645,926 shares to 5,483,559,226 shares.

Save as disclosed above, there has been no alteration in the share capital of our Company within two years immediately preceding the date of this document.

Resolutions of our Shareholders

At the extraordinary general meeting of the Shareholders held on April 29, 2026, the following resolutions, among other things, were duly passed:

- (a) the issue by the Company of H Shares with a nominal value of RMB1.00 each and such H Shares be [REDACTED] on the Hong Kong Stock Exchange;

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- (b) the number of H Shares to be [REDACTED] before the exercise of the [REDACTED] shall not exceed [REDACTED]% of the enlarged share capital of our Company upon completion of the [REDACTED] (before exercise of the [REDACTED]), and the grant of the [REDACTED] in respect of no more than [REDACTED]% of the number of H Shares [REDACTED] pursuant to the [REDACTED];
- (c) authorization of the Board or its authorized individual to handle all matters relating to, among other things, the [REDACTED], the issue and the [REDACTED] of H Shares on the Hong Kong Stock Exchange; and
- (d) subject to the completion of the [REDACTED], the conditional adoption of the revised Articles of Association, which shall become effective on the [REDACTED] Date.

Changes in the Share Capital of Our Subsidiaries

- On July 22, 2024, Yiwu International Trade Comprehensive Services Co., Ltd. (義烏國際貿易綜合服務有限公司) was deregistered;
- On March 4, 2025, the registered capital of Yiwu China Commodities City Logistics and Warehousing Co., Ltd. (義烏中國小商品城物流倉儲有限公司) was increased from RMB100,000,000 to RMB400,000,000;
- On March 4, 2025, Yiwu Shangbo Shuzhi Enterprise Management Co., Ltd. (義烏市商博數智企業管理有限公司) was deregistered;
- On March 7, 2025, the registered capital of Kuaijietong was increased from RMB180,000,000 to RMB200,000,000;
- On December 23, 2025, Zhejiang Xunchi Data Services Co., Ltd. (浙江迅弛數據服務有限公司) was established in the PRC with the registered capital of RMB20,000,000;
- On February 28, 2026, the registered capital of Hangzhou Shangbo Nanxing Property Co., Ltd. (杭州商博南星置業有限公司) was increased from RMB50,000,000 to RMB400,000,000; and
- On March 18, 2026, Ningxia Yiwu China Commodities City Supply Chain Management Co., Ltd. (寧夏義烏小商品城供應鏈管理有限公司) was deregistered.

Save as disclosed above, there has been no alteration in the share capital of any of the subsidiaries of our Company within the two years immediately preceding the date of this document.

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FURTHER INFORMATION ABOUT OUR BUSINESS

Summary of Material Contract

The following contract (not being contracts entered into in the ordinary course of business) has been entered into by members of our Group within the two years preceding the date of this document and are or may be material:

- (a) [REDACTED].

Intellectual Property Rights

Trademarks

- (a) *Trademarks registered in the PRC*

As of the Latest Practicable Date, we had registered the following trademarks in the PRC which we consider to be or may be material to our business:

No.	Trademark	Place of registration	Rights holder	Category	Registration number	Date of registration	Date of expiration
1		PRC	the Company	42	77412502	March 28, 2025	March 27, 2035
2		PRC	the Company	6	63095992	October 14, 2022	October 13, 2032
3		PRC	the Company	43	58735722	February 21, 2022	February 20, 2032
4		PRC	the Company	16	58029742	February 7, 2022	February 6, 2032
5		PRC	the Company	24	57472369	January 21, 2022	January 20, 2032
6		PRC	the Company	36	18671018	January 28, 2017	January 27, 2027
7	商诚贷	PRC	the Company	42	14460801	June 14, 2015	June 13, 2035
8	商友贷	PRC	the Company	42	13954686	March 7, 2015	March 6, 2035
9	Yiwupay	PRC	the Company	9	11261581	December 21, 2013	December 20, 2033
10	ywpay	PRC	the Company	9	11254653	December 21, 2013	December 20, 2033

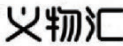
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No.	Trademark	Place of registration	Rights holder	Category	Registration number	Date of registration	Date of expiration
11	ywpayment	PRC	the Company	38	11248691	December 21, 2013	December 20, 2033
12		PRC	the Company	43	9741502	September 14, 2012	September 13, 2032
13		PRC	the Company	44	9741536	September 14, 2012	September 13, 2032
14		PRC	the Company	41	9736645	November 14, 2012	November 13, 2032
15		PRC	the Company	36	9736583	September 7, 2012	September 6, 2032
16		PRC	the Company	39	9736620	November 21, 2012	November 20, 2032
17		PRC	the Company	39	9736610	October 28, 2012	October 27, 2032
18		PRC	the Company	42	9702147	November 7, 2012	November 6, 2032
19		PRC	the Company	37	7885187	March 14, 2011	March 13, 2031
20		PRC	the Company	28	6491571	June 7, 2010	June 6, 2030
21		PRC	the Company	18	1612776	August 7, 2001	August 6, 2031
22		PRC	the Company	9	1618379	August 14, 2001	August 13, 2031
23		PRC	Zhejiang China Commodity City Group Co., Ltd. Market Operations Branch (浙江中國小商品城集團股份有限公司市場運營分公司)	9	39987682	March 14, 2020	March 13, 2030
24		PRC	Yiwu China Commodity City Big Data Co., Ltd. Hangzhou Branch (義烏中國小商品城大數據有限公司杭州分公司, “Hangzhou Branch”)	20	81399595	March 28, 2025	March 27, 2035

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No.	Trademark	Place of registration	Rights holder	Category	Registration number	Date of registration	Date of expiration
25		PRC	Hangzhou Branch	35	80429860	February 14, 2025	February 13, 2035
26		PRC	Hangzhou Branch	35	79544705	March 28, 2025	March 27, 2035
27		PRC	Yiwu China Commodity City Overseas Investment Development Co., Ltd. (義烏中國小商品城海外投資發展有限公司, “CCC Overseas Investment”)	39	48631260	January 28, 2022	January 27, 2032
28	环球义通	PRC	CCC Overseas Investment	42	42635821	December 7, 2020	December 6, 2030
29	环球义速	PRC	CCC Overseas Investment	42	42650240	August 28, 2020	August 27, 2030
30		PRC	Yiwu China Commodities City Supply Chain Management Co., Ltd. (義烏中國小商品城供應鏈管理有限公司, “CCC Supply Chain”)	36	85292717	December 7, 2025	December 6, 2035
31		PRC	CCC Supply Chain	36	85289256	December 14, 2025	December 13, 2035
32		PRC	CCC Supply Chain	37	77297700	August 28, 2024	August 27, 2034
33	爱喜猫	PRC	CCC Supply Chain	25	60889372	February 21, 2023	February 20, 2033
34	义好	PRC	CCC Supply Chain	29	57256175	January 7, 2022	January 6, 2032
35		PRC	CCC Supply Chain	25	52379072	October 21, 2021	October 20, 2031
36	芝燃义爆	PRC	CCC Supply Chain	35	45478220	February 14, 2021	February 13, 2031
37	ICMALL	PRC	CCC Supply Chain	22	38222830	May 7, 2020	May 6, 2030
38	爱喜猫	PRC	CCC Supply Chain	25	38195922	April 7, 2020	April 6, 2030

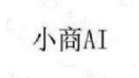
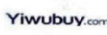
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No.	Trademark	Place of registration	Rights holder	Category	Registration number	Date of registration	Date of expiration
39		PRC	CCC Supply Chain	35	38183873	July 14, 2020	July 13, 2030
40		PRC	CCC Supply Chain	35	38170735	March 21, 2020	March 20, 2030
41		PRC	CCC Supply Chain	35	38177228	August 28, 2020	August 27, 2030
42		PRC	CCC Supply Chain	21	22391376	April 7, 2018	April 6, 2028
43		PRC	Yiwu Comprehensive Bonded Zone Operation Management Co., Ltd. (義烏綜合保稅區運營管理有限公司, “Yiwu Comprehensive Bonded”)	44	52291441	August 28, 2021	August 27, 2031
44	YWCBZ	PRC	Yiwu Comprehensive Bonded	36	52290071	September 7, 2021	September 6, 2031
45		PRC	CCC Import and Export	9	61975112	May 21, 2024	August 27, 2033
46	贸义链	PRC	CCC Import and Export	45	46450980	January 21, 2021	January 20, 2031
47		PRC	CCC Import and Export	3	46450988	January 21, 2021	January 20, 2031
48		PRC	CCC Import and Export	42	44402316	October 21, 2020	October 20, 2030
49		PRC	Zhejiang Yindu Hotel Management Co., Ltd. (浙江銀都酒店管理有限公司, “Yindu Hotel”)	29	73807629	May 7, 2024	May 6, 2034
50	銀都指尖食堂 YINDU FINGER TIP CATERING	PRC	Yindu Hotel	31	73819965	May 21, 2024	May 20, 2034
51		PRC	Yindu Hotel	30	73818525	May 7, 2024	May 6, 2034

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No.	Trademark	Place of registration	Rights holder	Category	Registration number	Date of registration	Date of expiration
52		PRC	Yindu Hotel	29	73821836	May 28, 2024	May 27, 2034
53	YANDOO CAFE	PRC	Yindu Hotel	43	73810481	May 21, 2024	May 20, 2034
54		PRC	Yindu Hotel	30	68415316	June 28, 2023	June 27, 2033
55	YANDOO DEERIN'S	PRC	Yindu Hotel	43	68413889	June 7, 2023	June 6, 2033
56	银都嘉悦	PRC	Yindu Hotel	44	63781078	September 28, 2022	September 27, 2032
57	银都璟悦	PRC	Yindu Hotel	44	63801255	September 28, 2022	September 27, 2032
58	YANDOO JINYUE	PRC	Yindu Hotel	44	63632335	October 7, 2022	October 6, 2032
59	银都嘉城	PRC	Yindu Hotel	44	52542237	August 28, 2021	August 27, 2031
60	银都华奕	PRC	Yindu Hotel	44	52527613	August 28, 2021	August 27, 2031
61		PRC	Zhejiang Yiwu Commodity City Tourism Development Co., Ltd. (浙江義烏小商品城旅遊發展有限公司)	35	42236263	January 14, 2021	January 13, 2031
62		PRC	CCC Big Data	20	85811680	January 6, 2026	January 6, 2036
63	HOKBAY	PRC	CCC Big Data	36	54676616	October 14, 2021	October 13, 2031
64		PRC	Yiwu China Commodities Information Technology Co., Ltd. (義烏中國小商品城信息技術有限公司, “CCC Information Technology”)	30	55271499	May 21, 2022	May 20, 2032
65	yiwugou	PRC	CCC Information Technology	35	16691787	June 28, 2016	June 27, 2036
66		PRC	CCC Information Technology	35	16691785	June 7, 2016	June 6, 2036

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No.	Trademark	Place of registration	Rights holder	Category	Registration number	Date of registration	Date of expiration
67		PRC	Yiwu Yindu Shangtu Catering Co., Ltd. (義烏市銀都商途餐飲有限公司)	35	74508313	June 7, 2024	June 6, 2034
68		PRC	Yiwu China Commodity City Internet Financial Information Service Co., Ltd. (義烏中國小商品城互聯網金融信息服務有限公司)	39	74397143	April 7, 2024	April 6, 2034
69		PRC	Yiwu Xinlian Technology Service Co., Ltd. (義烏信鏈技術服務有限公司)	42	74237034	March 14, 2024	March 13, 2034

(b) Trademarks registered outside the PRC

As of the Latest Practicable Date, we had registered the following trademarks outside the PRC which we consider to be or may be material to our business:

No.	Trademark	Place of registration	Rights holder	Class	Application number	Date of registration	Date of expiration
1	 义乌中国小商品城 Yiwu China Commodities City	Argentina	the Company	35	3437190	July 6, 2016	July 6, 2026
2	 义乌中国小商品城 Yiwu China Commodities City	Brazil	the Company	35	909757810	November 7, 2017	November 7, 2027
3	 义乌中国小商品城 Yiwu China Commodities City	Laos	the Company	35	35668	June 8, 2016	June 8, 2026
4	 义乌中国小商品城 Yiwu China Commodities City	Malaysia	the Company	35	2015063157	August 11, 2015	August 11, 2035
5	 义乌中国小商品城 Yiwu China Commodities City	South Africa	the Company	35	2015/19478	July 9, 2018	July 17, 2035
6	 义乌中国小商品城 Yiwu China Commodities City	Tanzania (Tanganyika)	the Company	35	TZ/S/2015/549	August 6, 2015	August 5, 2032
7		Venezuela	the Company	35	2015-010741	October 18, 2016	October 18, 2031
8	 义乌中国小商品城 Yiwu China Commodities City	Uganda	the Company	35	UG/T/2015/053175	July 21, 2015	July 21, 2032
9	 义乌中国小商品城 Yiwu China Commodities City	Uruguay	the Company	35	466658	July 14, 2017	July 14, 2027

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No.	Trademark	Place of registration	Rights holder	Class	Application number	Date of registration	Date of expiration
10		Indonesia	the Company	35	J002015033724	August 10, 2015	August 10, 2035
11		Taiwan, China	the Company	35	104042420	June 1, 2016	May 31, 2026
12		Hong Kong, China	the Company	35	303475558	July 26, 2017	July 16, 2035

Copyright

As of the Latest Practicable Date, we had registered the following copyrights which we consider to be or may be material to our business:

No.	Copyright	Copyright owner	Registration number	Date of registration
1	Yiwu Index (義烏指數)	the Company	GuoZuoDengZi (國作登字)-2025-F-00232717	August 1, 2025
2	CCC Graphic (II) (CCC圖形(二))	the Company	ZheZuoDengZi (浙作登字)-2022-F-00000043	January 4, 2022
3	Benben Theme Image (奔奔主題形象)	the Company	ZheZuoDengZi (浙作登字)-2021-F-00042092	December 17, 2021
4	ccc Pattern (ccc圖案)	the Company	ZheZuoDengZi (浙作登字)-2021-F-00026997	September 2, 2021
5	Whale Graphic Logo (鯨魚圖形標誌)	CCC Overseas Investment	GuoZuoDengZi (國作登字)-2020-F-01185668	December 4, 2020
6	Whale Graphic Logo 2 (鯨魚圖形標誌2)	CCC Overseas Investment	GuoZuoDengZi (國作登字)-2020-F-01185667	December 4, 2020
7	Aiximao Global Good Goods Collection Store (Graphic Logo) (愛喜貓全球好物集合店(圖形LOGO))	CCC Supply Chain	GuoZuoDengZi (國作登字)-2022-F-10062317	March 24, 2022
8	Aiximao Global Good Goods Collection Store (Graphic Logo) (愛喜貓全球好物集合店(圖形LOGO))	CCC Supply Chain	QianZuoDengZi (黔作登字)-2022-F-00388314	January 18, 2022
9	ICMALL	CCC Import and Export	GuoZuoDengZi (國作登字)-2019-F-00902181	October 15, 2019
10	Aiximao (愛喜貓)	CCC Import and Export	GuoZuoDengZi (國作登字)-2019-F-00902182	October 15, 2019
11	Marketplace Dreamer (商城夢想家)	Yindu Hotel	GuoZuoDengZi (國作登字)-2025-F-00314045	October 27, 2025
12	Fingertip Canteen (指尖食堂)	Yindu Hotel	GuoZuoDengZi (國作登字)-2023-F-00222133	October 11, 2023
13	Yindu Hotel Management Brand Logo (銀都酒管品牌LOGO)	Yindu Hotel	GuoZuoDengZi (國作登字)-2022-F-10119673	June 14, 2022
14	Aiximao New Retail System (愛喜貓新零售系統)	CCC Supply Chain	2023SR0593783	June 7, 2023
15	Maoyi Chain Supply Chain Service Platform (貿義鏈供應鏈服務平台)	CCC Import and Export	2022SR0047283	January 7, 2022
16	World Yiwu Large Model App (世界義烏大模型APP)	CCC Big Data	2025SR1791708	September 16, 2025
17	Fingertip Canteen Software (指尖食堂軟件)	CCC Big Data	2025SR1434112	August 4, 2025
18	Small Commodities City Points Mall System (小商品城積分商城系統)	CCC Big Data	2025SR1434110	August 4, 2025

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No.	Copyright	Copyright owner	Registration number	Date of registration
19	Chinagoods Platform Message Center Software (Chinagoods 平台消息中心軟件)	CCC Big Data	2025SR1430101	August 1, 2025
20	Small Merchant Customer-Welcoming Software (小商迎客軟件)	CCC Big Data	2025SR1425521	August 1, 2025
21	Chinagoods Platform Service System (Chinagoods 平台服務系統)	CCC Big Data	2025SR1428201	August 1, 2025
22	AI Intelligent Translator Software (AI智能翻譯官軟件)	CCC Big Data	2025SR1425517	August 1, 2025
23	Online Exhibition Platform Software (線上展會平台軟件)	CCC Big Data	2025SR1425526	August 1, 2025
24	Small Commodities City Shopkeeper Mall Software (小商品城掌櫃商城軟件)	CCC Big Data	2025SR1430335	August 1, 2025
25	Product Intelligent Publishing Software (商品智能發佈軟件)	CCC Big Data	2025SR1425525	August 1, 2025
26	Work Safety Digital Platform Software (安全生產數字化平台軟件)	CCC Big Data	2025SR1259321	July 15, 2025
27	CG Micro-Code Platform Software (CG微代碼平台軟件)	CCC Big Data	2025SR1258255	July 15, 2025
28	Business Management Link Software (商管通軟件)	CCC Big Data	2023SR1163188	September 26, 2023
29	Smart Administrator System (智慧管理員系統)	CCC Big Data	2023SR0990691	August 30, 2023
30	Marketplace Peddler System (商城小貨郎系統)	CCC Big Data	2023SR0990867	August 30, 2023
31	Procurement Treasure Platform (採購寶平台)	CCC Big Data	2022SR1367121	September 22, 2022
32	Chinagoods Shared Cloud Warehouse System (Chinagoods 共享雲倉系統)	CCC Big Data	2022SR0940887	July 18, 2022
33	Spain Station System (西班牙站系統)	CCC Big Data	2022SR0941077	July 18, 2022
34	Chinagoods Seller System (Chinagoods Seller 系統)	CCC Big Data	2022SR0943385	July 18, 2022
35	Chinagoods Platform (Chinagoods平台)	CCC Big Data	2022SR0943386	July 18, 2022
36	Small Commodities City Seller Version System (小商品城賣家版系統)	CCC Big Data	2022SR0941076	July 18, 2022
37	Supply Chain Middle Platform System (供應鏈中台系統)	CCC Big Data	2022SR0887122	July 4, 2022
38	Yiwu Small Commodities City Network Platform (義烏小商品城網平台)	CCC Big Data	2020SR0297146	March 30, 2020
39	Chinagoods Platform (Chinagoods平台)	CCC Big Data	2020SR0293942	March 27, 2020
40	Chinagoods Seller System (Chinagoods Seller系統)	CCC Big Data	2020SR0293944	March 27, 2020
41	Small Commodities City Seller Version System (小商品城賣家版系統)	CCC Big Data	2020SR0293839	March 27, 2020

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No.	Copyright	Copyright owner	Registration number	Date of registration
42	Yiwu Small Commodities City Platform (義烏小商品城平台)	CCC Big Data	2020SR0276747	March 19, 2020
43	Rattle-Drum Software (撥浪鼓軟件)	CCC Information Technology	2019SR1181685	November 21, 2019
44	China Small Commodities City Prosperous Shop Manager Software (Abbreviation: Prosperous Shop Manager) V2.0 (中國小商品城旺鋪管家軟件 (簡稱: 旺鋪管家) V2.0)	CCC Information Technology	2005SR00910	January 20, 2005
45	Cross-Border Multi-Channel Collection System (跨境多通道收款系統)	Kuaijietong	2026SR0028246	January 6, 2026
46	1039 Market Procurement Foreign Exchange Settlement System (1039市場採購結匯系統)	Kuaijietong	2026SR0028268	January 6, 2026
47	Risk Control Online Inspection System (風控線上巡檢系統)	Kuaijietong	2025SR0107424	January 16, 2025
48	Cross-Border Settlement System Based on BOC Digital RMB (基於中行數字人民幣的跨境結算系統)	Kuaijietong	2025SR0107415	January 16, 2025
49	User Risk Identification and Control System (用戶風險識別控制系統)	Kuaijietong	2024SR0487775	April 10, 2024
50	Financial Management Platform (財務管理平台)	Kuaijietong	2024SR0487776	April 10, 2024
51	Fingertip Canteen Cash Register System (指尖食堂收銀系統)	Kuaijietong	2024SR0395262	March 15, 2024
52	Transaction Traffic Control System (交易流量控制系統)	Kuaijietong	2023SR1520054	November 28, 2023
53	Page Material Management System (頁面素材管理系統)	Kuaijietong	2023SR1422294	November 13, 2023
54	Customer Notification Management System (客戶通知管理系統)	Kuaijietong	2023SR1422285	November 13, 2023
55	BI — Self-Service Data Retrieval Platform (BI-自助取數平台)	Kuaijietong	2023SR1419582	November 10, 2023
56	Cross-Border Supplier Management System (跨境供應商管理系統)	Kuaijietong	2023SR1419584	November 10, 2023
57	Kuaijietong Work Order System (快捷通工單系統)	Kuaijietong	2023SR1396237	November 7, 2023
58	Cross-Border Trade Review System (跨境貿易審核系統)	Kuaijietong	2023SR1386179	November 6, 2023
59	Marketing System (營銷系統)	Kuaijietong	2023SR1378597	November 3, 2023
60	Merchant Financial Data Integration System (商戶財務數據對接系統)	Kuaijietong	2023SR1378612	November 3, 2023
61	Data Cube System (數據魔方系統)	Kuaijietong	2023SR1344615	October 31, 2023
62	Operation and Maintenance Automation Platform (運維自動化平台)	Kuaijietong	2023SR1331389	October 30, 2023
63	Agent System (代理商系統)	Kuaijietong	2023SR1293932	October 24, 2023
64	Cross-Border RMB System (PC Version) (跨境人民幣系統(PC版))	Kuaijietong	2023SR1293843	October 24, 2023

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No.	Copyright	Copyright owner	Registration number	Date of registration
65	Delivery Efficiency System (交付效能系統)	Kuaijietong	2023SR1293065	October 24, 2023
66	Automated Testing Platform (自動化測試平台)	Kuaijietong	2023SR1293090	October 24, 2023
67	Digital RMB Business System (Mobile Version) (數字人民幣業務系統(移動版))	Kuaijietong	2023SR0943535	August 16, 2023
68	Cross-Border RMB System (Mobile Version) (跨境人民幣 系統(移動版))	Kuaijietong	2023SR0863723	July 21, 2023
69	Aggregated Payment System (Mobile Version) (聚合支付系統(移動版))	Kuaijietong	2023SR0863722	July 21, 2023
70	Payment Channel Intelligent Routing System (支付渠道智能路由系統)	Kuaijietong	2019SR0274037	March 22, 2019
71	Sihaitong Direct Clearing and Split-Accounting System (四海通直清分賬系統)	Kuaijietong	2019SR0274039	March 22, 2019
72	Kuaijietong Wallet App (iOS Version) (快捷通錢包APP (iOS版))	Kuaijietong	2019SR0118744	January 31, 2019
73	Kuaijietong Wallet App (Android Version) (快捷通錢包APP(Android版))	Kuaijietong	2018SR1085794	December 27, 2018
74	Kuaijietong Merchant Management Platform System (快捷通商戶管理平台系統)	Kuaijietong	2018SR590529	July 26, 2018
75	Kuaijietong Transaction Gateway System (快捷通交易網關系統)	Kuaijietong	2018SR590534	July 26, 2018
76	Kuaijietong Customer Service Work Order System (快捷通客服工單系統)	Kuaijietong	2018SR580491	July 24, 2018
77	Kuaijietong Billing Management System (快捷通計費管理系統)	Kuaijietong	2018SR580536	July 24, 2018
78	Kuaijietong Telecom Anti-Fraud System (快捷通電信反欺詐系統)	Kuaijietong	2018SR580495	July 24, 2018
79	Kuaijietong Merchant Scan Code Cash Register System (快捷通商戶掃碼收銀系統)	Kuaijietong	2018SR580489	July 24, 2018
80	Kuaijietong Payment Account Management Platform (快捷通支付帳戶管理平台)	Kuaijietong	2017SR734787	December 27, 2017
81	Kuaijietong Official Website Platform (快捷通官方網站平台)	Kuaijietong	2017SR735722	December 27, 2017
82	Kuaijietong Log Analysis Platform (快捷通日誌分析平台)	Kuaijietong	2017SR734797	December 27, 2017
83	Kuaijietong Member Real-Name Authentication Platform (快捷通會員實名認證平台)	Kuaijietong	2017SR737597	December 27, 2017
84	Kuaijietong Service Monitoring Platform (快捷通服務監控平台)	Kuaijietong	2017SR736524	December 27, 2017
85	Kuaijietong Fund Management Platform (快捷通資金管理平台)	Kuaijietong	2017SR735561	December 27, 2017
86	Open Operation Management System (開放運營管理系統)	Kuaijietong	2017SR296921	June 21, 2017

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No.	Copyright	Copyright owner	Registration number	Date of registration
87	Kuaijietong Online Cash Register System (快捷通網上收銀系統)	Kuaijietong	2016SR309892	October 27, 2016
88	Kuaijietong Balance Wealth Management Software (快捷通餘額理財軟件)	Kuaijietong	2016SR300145	October 20, 2016
89	Kuaijietong Order Transaction Platform (快捷通訂單交易平台)	Kuaijietong	2016SR300151	October 20, 2016
90	Kuaijietong Payment Comprehensive Operation Platform (快捷通支付綜合運營平台)	Kuaijietong	2016SR300139	October 20, 2016
91	Kuaijietong Payment Channel Management System (快捷通支付渠道管理系統)	Kuaijietong	2016SR300173	October 20, 2016
92	Kuaijietong Member Service System (快捷通會員服務系統)	Kuaijietong	2016SR300476	October 20, 2016

Patents

As of the Latest Practicable Date, we had registered the following patents which we consider to be or may be material to our business:

No.	Patent name	Patentee	Place of registration	Patent number	Application date
1	A Real-Time AI Big Data Processing and Analysis Method (一種AI大數據實時處理與分析方法)	CCC Big Data	PRC	2024104776848	April 19, 2024
2	A Big Data Risk Management and Analysis System Based on Large Models (一種基於大模型的大數據風險管理與分析系統)	CCC Big Data	PRC	2024104550663	April 16, 2024
3	An AI Big Data Intelligent Management Method and System (一種AI大數據智能管理方法及系統)	CCC Big Data	PRC	202410442348X	April 12, 2024
4	A Big Data Rapid Retrieval Method and System (一種大數據快速檢索方法及系統)	CCC Big Data	PRC	2024103743052	March 29, 2024
5	An Edge Computing-Based AI Big Data Intelligent Processing Method (基於邊緣計算的AI大數據智能處理方法)	CCC Big Data	PRC	2024103743067	March 29, 2024

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Domain names

As of the Latest Practicable Date, we owned the following domain names which we consider to be or may be material to our business:

No.	Domain names	Registered owner	Expiration date
1	hangzhoupay.com	Zhejiang Xunchi Digital Technology Co., Ltd. (浙江迅弛數字科技有限公司)	September 18, 2027
2	cmdccc.com	CCC Supply Chain	April 21, 2030
3	ywebz.com	Comprehensive Bonded	November 11, 2026
4	jinrongccc.com	CCC Import and Export	October 29, 2029
5	cccicmall.com	CCC Import and Export	May 20, 2029
6	chinagoods.com	CCC Big Data	August 13, 2031
7	yweport.com	CCC Information Technology	June 18, 2026
8	chinafairs.org	Yiwu China Commodities City Exhibition Co., Ltd. (義烏中國小商品城展覽股份有限公司, “CCC Exhibition”)	May 18, 2027
9	yiwufair.org	CCC Exhibition	September 13, 2026
10	yiwufair.com	CCC Exhibition	September 13, 2027
11	yiwufair.net	CCC Exhibition	September 13, 2026
12	ywfair.com.cn	CCC Exhibition	September 23, 2026
13	netfair.net	CCC Exhibition	May 26, 2027
14	ywfair.com	CCC Exhibition	September 13, 2026
15	yiwufairs.net	CCC Exhibition	September 13, 2026
16	yiwufairs.com.cn	CCC Exhibition	September 23, 2026
17	cccfair.com.cn	CCC Exhibition	September 21, 2026
18	yiwufairs.org	CCC Exhibition	September 13, 2026
19	ywfair.net	CCC Exhibition	September 13, 2026
20	yiwufairs.com	CCC Exhibition	September 13, 2026
21	yiwufair.com.cn	CCC Exhibition	September 23, 2026
22	yiwufair.biz	CCC Exhibition	February 16, 2027
23	crystalfair.cn	CCC Exhibition	May 17, 2027
24	ywfair.org	CCC Exhibition	September 13, 2026
25	yiwupay.com	Kuaijietong	April 28, 2027
26	yiwucredit.cn	Yiwu China Commodity City Credit Reporting Co., Ltd. (義烏中國小商品城征信有限公司)	February 9, 2031
27	yiwucredit.com	Yiwu China Commodity City Credit Reporting Co., Ltd.	February 9, 2031

Save as aforesaid, as of the Latest Practicable Date, there were no other trade or service marks, patents, intellectual or industrial property rights which were material in relation to our business.

FURTHER INFORMATION ABOUT OUR DIRECTORS AND SENIOR MANAGEMENT

Particulars of the Service Contracts

We [have entered] into a contract with each of our Directors in respect of, among other things (i) compliance of relevant laws and regulations, (ii) observance of the Articles of Association, and (iii) provisions on dispute resolution.

Save as disclosed above, none of the Directors has entered into any service contracts as a director with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

Directors’ Remuneration

The Directors receive remuneration in the forms of salaries, allowances and benefits in kind, performance related bonuses, share-based payment expenses, and pension scheme contributions.

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The aggregate amount of remuneration (including salaries, allowances and benefits in kind, performance related bonuses, share-based payment expenses, and pension scheme contributions) paid to our Directors for the years ended December 31, 2023, 2024 and 2025 were approximately RMB3.2 million, RMB2.2 million and RMB3.2 million, respectively.

Disclosure of interests

Immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]), the interests and/or short positions of our Directors and chief executive in our Shares, underlying shares and debentures of our Company and its associated corporations, within the meaning of Part XV of the SFO, which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, will be as follows:

Interest in Shares

Name	Position	Nature of Interests ⁽¹⁾	Number and Description of Shares	Approximate percentage of Shareholding following the completion of the [REDACTED] (%) ⁽²⁾	
				In A Shares	In the total issued share capital of our Company
Mr. XU Hang (許杭)	Executive Director, Board secretary and joint company secretary	Beneficial owner	300,000 A Shares	[REDACTED]	[REDACTED]

Notes:

- (1) All interests are long positions.
- (2) The calculation is based on the assumption that the [REDACTED] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED].

Save as disclosed above, none of the Directors or the chief executive of the Company will, immediately following completion of the [REDACTED], have any interests and/or short positions in the Shares, underlying Shares and debentures of our Company’s associated corporations (within the meaning of Part XV of the SFO), which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

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Substantial Shareholders

For information on the persons who will, immediately following the completion of the [REDACTED], have or be deemed or taken to have beneficial interests or short position in our Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, see the section headed “Substantial Shareholders” in this document.

So far as the Directors are aware, the persons (other than our Directors, the chief executive of our Company, and any member of our Group) will, immediately following the completion of the [REDACTED], be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of the members of our Group (other than our Company):

Our subsidiary	Name of substantial shareholder	Approximate percentage of interest (%)
Yiwu China Commodity City Credit Reporting Co., Ltd. (義烏中國小商品城征信有限公司)	Hangzhou Credit Rating Co., Ltd. (杭州資信評估有限公司)	15%
Yiwu Xinlian Technology Service Co., Ltd. (義烏信鏈技術服務有限公司)	Shenzhen Hande Science & Trade Development Co., Ltd. (深圳瀚德科貿發展有限公司)	49%
Zhejiang Yiwugo E-commerce Co., Ltd. (浙江義烏購電子商務有限公司)	WANG Jianjun (王建軍)	25%
	Yisha Chengdu International Trade City Co., Ltd. (伊廈成都國際商貿城股份有限公司)	24%

Save as disclosed herein, our Directors are not aware of any other person who will, immediately following the completion of the [REDACTED] (including any additional H Shares issued pursuant to the [REDACTED]), have an interest or short position in Shares or underlying Shares of the Company, which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Group.

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Disclaimers

- (a) Save as disclosed in the section headed “History, Development and Corporate Structure,” none of the Directors nor any of the experts referred to in “— Other Information — Qualifications and Consents of Experts” below has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by, or leased to, any member of the Group, or are proposed to be acquired or disposed of by, or leased to, any member of the Group.
- (b) Save in connection with the [REDACTED] Agreements, none of the Directors nor any of the experts referred to in “— Other Information — Qualifications and Consents of Experts” below, is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of the Group.
- (c) No cash, securities or other benefit has been paid, allotted or given within the two years preceding the date of this document to any promoter of the Company nor is any such cash securities or benefit intended to be paid, allotted or given on the basis of the [REDACTED] or related transactions as mentioned.
- (d) Save as disclosed in the section headed “Business,” none of our Directors or their close associates (as defined in the Listing Rules) or the existing Shareholders (who, to the knowledge of our Directors, owns more than 5% of our issued share capital) has any interest in any of the five largest customers or the five largest suppliers of our Group.

OTHER INFORMATION

Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Group.

Litigation

So far as our Directors are aware, no litigation or claim of material importance is pending or threatened against any member of our Group.

Joint Sponsors

The Joint Sponsors have made an application on our behalf to the Listing Committee for the [REDACTED] of, and permission to [REDACTED], our H Shares to be [REDACTED] pursuant to the [REDACTED] (including any H Shares which may fall to be [REDACTED] pursuant to the exercise of the [REDACTED]).

The Joint Sponsors satisfy the independence criteria applicable to the sponsor set out in Rule 3A.07 of the Listing Rules.

Pursuant to the engagement letter entered into between the Company and each of the Joint Sponsors, we have agreed to pay the Joint Sponsors an aggregate sponsor fee of [REDACTED] to act as the sponsor of our Company in connection with the proposed [REDACTED] on the Hong Kong Stock Exchange.

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Qualifications and Consents of Experts

The following experts have each given and have not withdrawn their respective written consents to the issue of this document with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

<u>Name</u>	<u>Qualification</u>
HSBC Corporate Finance (Hong Kong) Limited	A licensed corporation under the SFO for Type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
CITIC Securities (Hong Kong) Limited	A licensed corporation under the SFO for Type 4 (advising on securities) and Type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
Confucius International CPA Limited	Certified Public Accountants Registered Public Interest Entity Auditor
Grandall Law Firm (Hangzhou)	PRC legal advisor
China Insights Industry Consultancy Limited	Independent industry consultant
Hogan Lovells International LLP	International sanctions legal advisor
Cushman & Wakefield Limited	Independent property valuer

As of the Latest Practicable Date, none of the experts named above has any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

BINDING EFFECT

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies Ordinance so far as applicable.

BILINGUAL DOCUMENT

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

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PROMOTERS

The promoters of our Company are MD Group, CITIC Trading Company (中信貿易公司), JIC Trust Co., Ltd. (中建投信託股份有限公司) (formerly known as Zhejiang International Trust and Investment Co., Ltd. (浙江省國際信託投資公司)), Zhejiang Provincial Financial Development Company (浙江省財務開發公司), Yiwu Finance Holding Co., Ltd. (義烏市金融控股有限公司) (formerly known as Yiwu Finance Development Company (義烏市財務開發公司)) and Shanghai Shenyin Securities Company (上海申銀證券公司).

Within the two years immediately preceding the date of this document, no cash, securities or benefit has been paid, allotted or given, or is proposed to be paid, allotted or given to the promoters named above in connection with the [REDACTED] or the related transactions described in this document.

PRELIMINARY EXPENSES

The Company did not incur material preliminary expenses for the purpose of the Listing Rules.

NO MATERIAL ADVERSE CHANGE

The Directors confirm that there has been no material change in our financial or trading position since December 31, 2025.

MISCELLANEOUS

Save as disclosed in “History, Development and Corporate Structure”, “Financial Information”, Accountants’ Report and this section in this document:

- (a) within the two years immediately preceding the date of this document:
 - (i) no share or loan capital or debenture of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be issued for cash or as fully or partly paid other than in cash or otherwise;
 - (ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option; and
 - (iii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries.
- (b) there are no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries;
- (c) no share or loan capital or debenture of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
- (d) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of its subsidiaries by our Company for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in or debentures of our Company or any of our subsidiaries;

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- (e) none of our Directors or experts (as named in this document), have any interest, direct or indirect, in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
- (f) save for the A Shares of our Company that are listed on the Shanghai Stock Exchange, the H Shares to be issued in connection with the [REDACTED] and the shares of Yiwu China Commodities City Exhibition Co., Ltd. quoted on the National Equities Exchange and Quotations, and as otherwise disclosed no equity or debt securities of any company within our Group is presently listed on any stock exchange or traded on any trading system nor is any listing or permission to deal being or proposed to be sought;
- (g) our Company has no outstanding convertible debt securities or debentures;
- (h) there is no arrangement under which future dividends are waived or agreed to be waived; and
- (i) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document.

APPENDIX VIII

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) the written consents referred to in “*Appendix VII — Statutory and General Information — Other Information — Qualifications and Consents of Experts*”; and
- (b) a copy of each of the material contracts referred to in “*Appendix VII — Statutory and General Information — Further Information about our Business — Summary of Material Contract*”.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at www.hkexnews.hk and our website at www.cccgroup.com.cn during a period of 14 days from the date of this document:

- 1. the Articles of Association;
- 2. the Accountants’ Report prepared by Confucius International CPA Limited, the text of which is set forth in Appendix I to this Document;
- 3. the audited consolidated financial statements of our Company for the financial years ended December 31, 2023, 2024, 2025;
- 4. the report from Confucius International CPA Limited on the unaudited [REDACTED] financial information of our Group, the text of which is set forth in Appendix II to this Document;
- 5. the letter, summary of valuations and valuation certificates relating to certain property interests of our Company prepared by Cushman & Wakefield Limited, the texts of which are set out in Appendix III to this document;
- 6. the material contracts in “*Appendix VII — Statutory and General Information — Further Information about our Business — Summary of Material Contract*”;
- 7. the written consents referred to in “*Appendix VII — Statutory and General Information — Other Information — Qualifications and Consents of Experts*”;
- 8. the service contracts referred to in “*Appendix VII — Statutory and General Information — Further Information about our Directors, Management and Substantial Shareholders — Particulars of the Service Contracts*”;
- 9. the legal opinions issued by Grandall Law Firm (Hangzhou), our PRC Legal Advisor, in respect of, among other things, the general corporate matters and the property interests of our Group under PRC law;
- 10. the industry report issued by China Insights Industry Consultancy Limited, the summary of which is set forth in the section headed “*Industry Overview*” in this Document; and
- 11. a copy of the PRC Company Law, the Securities Law and the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises, together with unofficial English translations thereof.