

Zhejiang China Commodities City Group Co., Ltd.
2024 Action Plan for “Improving Quality and Efficiency and Valuing Returns”

In line with the initiative on launching the special action of “improving quality and efficiency and valuing returns” for companies listed on Shanghai Stock Exchange, the 2024 Action Plan for “Improving Quality and Efficiency and Valuing Returns” of Zhejiang China Commodities City Group Co., Ltd. is hereby formulated in order to implement the investor-oriented philosophy, promote the high-quality development of listed companies and investment value enhancement, protect the legitimate rights and interests of investors, particularly small and medium-sized investors, enhance the internal stability of the capital market, and facilitate the healthy development of the capital market. The details are as follows:

Strategic objectives: Center around the goal of becoming a “world-class comprehensive service provider for international trade”, continue to improve business performance and management, boost its core competitiveness, continuously improve the market capitalization management ability, ensure its sustainable development and maximize the interests of all shareholders.

Basic principles: Uphold the principles of openness, fairness and impartiality, manage market capitalization lawfully in accordance with the requirements of true, accurate, complete and timely information disclosure, and safeguard the legitimate rights and interests of the Company and its shareholders.

I. Enhance the quality of operations as well as profitability, and develop new quality productive forces

The Company will continue to reinforce the operation of core businesses and the fundamentals; gradually divest inefficient and non-performing assets to improve asset quality; and actively explore new business models and growth areas to form competitive new growth areas. In 2024, the gross merchandise volume (GMV) on the Chinagoods platform will be no less than RMB 80 billion, and the transaction volume of the new cross-border RMB payment business of Yiwu Pay will be no less than USD 3 billion.

The Company will move faster to map out planning in the field of artificial intelligence, promote the innovative application of AI technologies in the commerce industry, and work with top technology companies such as ModelBest to jointly explore the application scenarios of AI technology in the field of commerce and trade and to lead the digital transformation of commerce and trade.

The Company will move faster to build new-type digital infrastructure, make better use of digital economy to empower commerce and trade, actively study and plan for new opportunities from data element X, use the Company’s accumulated data resources and capabilities to build a future “Dow Jones” index cluster in China’s business and trade field, build a new business and asset portfolio, expand new data products and service models, drive business applications, and create new quality productive forces.

II. Promote investment and M&A that meet the needs of the industry

The Company will actively promote investment, mergers and acquisitions in line with the Company’s long-term development strategy, and enhance its influence in the global supply chain.

III. Boost the capability of managing market capitalization

(I) Increase information disclosure and transparency

The Company was rated A according to the results of the evaluation of information disclosure by listed companies on the Shanghai Stock Exchange in 2022. The Company will continue to provide comprehensive and transparent financial reports and market dynamics, and convey the Company's value in a reasonable and compliant manner. A special column for investor interaction is set up on the Company's new website, and the Company responds to market concerns and investor questions in a timely manner through designated platforms such as SSE e-Interaction. Investor briefings are held on a regular basis, and activities such as "investors visiting listed companies" are held to build investors' understanding of and confidence in the Company.

(II) Strengthen investor relations management

This includes transparent and timely disclosure of important information to investors, proactive interaction with investors and analysts, quick response to media reports and proactive release of company news, advance crisis response strategies and training of communication teams, and continuous improvement and learning to improve relationship management capability.

IV. Follow regulatory requirements to ensure compliance

The Company will uphold standardized operations, improve the internal control system and risk management system, strengthen in-house training, and guard against misconduct such as market manipulation and insider trading.

V. Increase long-term returns

The Company plans to continuously increase the proportion of profits distributed in cash within three years, starting from 2024, and put in place a sound long-term incentive and restraint mechanism through equity incentives and other means to achieve win-win results for the Company, employees and shareholders.

VI. Strengthen capacity building for social responsibility and sustainable development

In 2024, the Company will continue to uphold the "people-oriented" philosophy and pay attention to employee welfare and social development. By establishing a sound staff training system, the Company improves the skills and quality of employees, and build an efficient, professional and innovative team. The Company participates in undertakings for the public good, actively fulfills its corporate social responsibility in rural vitalization, volunteer service, etc. to demonstrate its responsibility as a state-owned enterprise, shares resources with society and enterprises nearby, adhere to value creation, give back to society, and serve national development and rejuvenation.

In response to the requirements of "promoting common prosperity through high-quality development", the Company is involved in the implementation of national strategy in conjunction with its characteristics and strengths. The Company assists the Yiwu market in better serving and integrating into the implementation of the Belt and Road Initiative and the new development strategy of dual circulation through "Yiwu Market Project", etc.

The Company implements the national "dual carbon" strategy, and is working to become a resource-conserving and environmentally friendly enterprise. While promoting corporate action for carbon neutrality, the Company exploits the rich experience of markets, hotels, exhibition halls, etc. in energy conservation, emission reduction, water and electricity consumption, etc., to help all parties slash energy consumption. The Company follows the concept of green development and advocates green and low-carbon ways of working and living, contributing to the building of a beautiful China.

The Company will proactively serve and integrate into the new pattern of development,

promote innovation, make breakthroughs in reforms, open up wider to the world, observe leadership of Party building, and be diligent and honest. The Company moves faster to transition to digital operations and a comprehensive service provider for international trade, upgrades the digital market, overseas market, domestic trade market, and physical market, make new progress in focusing on small commodities and developing large market, make new achievements in the Yiwu market, and contribute to the “model of Chinese path to modernization” in Yiwu.

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