

Stock Code: 600415

Stock Short Name: 小商品城

**Zhejiang China Commodities City Group
Co., Ltd.
2021 Annual Report**

Important Note

- I. **The Board of Directors, the Board of Supervisors and the directors, supervisors and senior management of the Company hereby warrant the truthfulness, accuracy and completeness of the contents of the Annual Report, guarantee that there are no false representations, misleading statements or material omissions contained in this Annual Report, and are jointly and severally responsible for the liabilities of the Company.**
- II. **All directors of the Company were present at the board meeting.**
- III. **Ernst & Young Hua Ming Certified Public Accountants (special general partnership) has issued a standard unqualified audit opinion for the Company.**
- IV. **ZHAO Wenge, Head of the Company, WANG Dong, Head in charge of accounting, and ZHAO Difang, Head of the accounting department (Accounting Supervisor), declare that they warrant the truthfulness, accuracy and completeness of the financial report in the annual report.**
- V. **The profit distribution plan for the reporting period or the plan for public reserve funds into share capital that was approved by the board of directors**

Based on the total share capital on the registration date of profit distribution equity in 2021, cash dividends of RMB 0.73 (tax inclusive) will be distributed for every 10 shares. According to the current total share capital of the Company, cash dividends of RMB 400,863,014.85 (tax inclusive) will be distributed. In the event of changes in the total share capital of the Company before the dividend distribution registration date, the scheme of allocation shall remain unchanged while the total profits distribution will be adjusted accordingly.

VI. Risk statement with forward-looking representations

Applicable Not Applicable

The forward-looking representations involved in this Report such as future plans and development strategies do not constitute the Company's substantial commitments to investors. Investors shall watch out for the investment risks.

VII. Is the Company's cash occupied by its controlling shareholder or any of its affiliates for non-operational purposes?

No

VIII. Has the Company provided external guarantee in violation of the prescribed decision-making procedures?

No

IX. Whether more than half of the directors can not warrant the truthfulness, accuracy and completeness of the annual report disclosed by the Company

No

X. Reminder of major risks

The Company has described the risks that may exist in this Report in details. Please refer to “Potential Risks” in “Section III. Discussion and Analysis of Managers” of this Report.

XI. Others

Applicable Not Applicable

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Documents for Inspection	Accounting statements with the signatures and stamps of the person incharge of the Company, person in charge of accounting and person in charge of the accounting body.
	Resolution of the Board of Directors and resolution of the Board of Supervisors
	Written confirmation opinions of directors, supervisors and senior management on the Company's 2021 Annual Report and Summary

Section I. Definitions

I. Definitions

For the purpose of this Report, unless otherwise stated in the context, the following terms shall have the following meanings:

Definitions		
SCO	means	Yiwu State-owned Capital Operation Co., Ltd.
MDG	means	Yiwu Market Development Group Co., Ltd.
CCCH	means	Yiwu China Commodities City Holdings Limited
CCCP	means	Yiwu China Commodities City Property Development Co., Ltd.
CCCF	means	Yiwu China Commodities City Financial Holdings Co., Ltd.
Huishang Micro-finance	means	Yiwu Huishang Micro-finance Co., Ltd.
Haicheng Company	means	Haicheng Yiwu China Commodities City Investment Development Co., Ltd.
Binjiang Shangbo	means	Hangzhou Binjiang Shangbo Property Development Co., Ltd.
Yiwu Shanglv	means	Yiwu Shanglv Investment Development Co., Ltd.
Chouzhou Financial Lease	means	Zhejiang Chouzhou Financial Lease Co., Ltd.
Yiwu Shangbo	means	Yiwu Shangbo Property Co., Ltd.
Handing Shangbo	means	Yiwu Handing Shangbo Real Estate Co., Ltd.
Gongchen Shangbo	means	Yiwu Gongchen Shangbo Property Co., Ltd.
Huangyuan Shangbo	means	Yiwu Huangyuan Shangbo Property Co., Ltd.
The Company, the Listed Company or the Group	means	Zhejiang China Commodities City Group Co., Ltd.

Section II. Company Profile and Financial Highlights

I. Company profile

Chinese name	Zhejiang China Commodities City Group Co., Ltd.
Chinese short name	小商品城
English name	Zhejiang China Commodities City Group Co.,Ltd
English short name	YIWU CCC
Legal representative	ZHAO Wenge

II. Contact information

	Board Secretary	Securities Affairs Representative
Name	XU Hang	RAO Yangjin
Address	Haiyang Business Building, No.105 Futian Road, Yiwu	Haiyang Business Building, No.105 Futian Road, Yiwu
Telephone	0579-85182812	0579-85182812
Fax	0579-85197755	0579-85197755
Email	Hxu@cccGroup.com.cn	Hxu@cccGroup.com.cn

III. Basic Information

Registered address	Haiyang Business Building, No.105 Futian Road, Yiwu, Zhejiang Province
Office address	Haiyang Business Building, No.105 Futian Road, Yiwu, Zhejiang Province
Postal code at the office address	322000
Corporate website	www.cccGroup.com.cn
Email	600415@cccGroup.com.cn

IV. Places for information disclosure and access to the annual report

Media's names and websites selected by the Company for annual report disclosure	China Securities Journal, Shanghai Securities News and Securities Times
Stock exchange website selected by the Company for annual report disclosure	www.sse.com.cn
Place for access to the Company's annual report	Securities Department of the Company

V. Stock profile

Stock profile				
Type of stock	Exchange	Stock short name	Stock code	Stock short name before change
A-share	Shanghai Stock Exchange	小商品城	600415	None

VI. Other relevant information

CPAs engaged by the Company (domestic)	Name	Ernst & Young Hua Ming Certified Public Accountants (special general partnership)
	Office address	16 th Floor, Ernst & Young Building, Oriental Plaza, 1 Chang'an Street, Dongcheng District, Beijing, China
	Name of the	YIN Guowei, HUANG Zhigang

	Signing Certified Public Accountants	
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VII. Major accounting data and financial indicators in the past three years

(i) Major accounting data

Unit: RMB

Major accounting data	2021	2020	YoY Change (%)	2019
Operating revenue	6,033,842,972.95	3,725,686,100.39	61.95	4,042,767,521.18
Net profits attributable to shareholders of the Listed Company	1,334,095,906.95	926,626,706.42	43.97	1,255,276,023.70
Net profits attributable to shareholders of the Listed Company with non-recurring items excluded	1,221,808,001.15	517,246,267.88	136.21	930,676,526.71
Net cash flow from operating activities	2,033,082,507.76	828,788,261.95	145.31	-1,538,907,257.55
	December 31, 2021	December 31, 2020	YoY Change (%)	December 31, 2019
Net assets attributable to shareholders of the Listed Company	14,610,845,868.33	13,558,228,377.08	7.76	13,020,619,449.36
Total assets	31,014,635,513.35	28,750,127,146.86	7.88	31,323,233,994.44

(ii) Major financial indicators

Major financial indicators	2021	2020	YoY Change (%)	2019
Basic EPS (RMB)	0.25	0.17	47.06	0.23
Diluted EPS (RMB)	0.25	0.17	47.06	0.23
Basic EPS after deducting non-recurring gains and losses (RMB/share)	0.22	0.10	120.00	0.17
Weighted average ROE (%)	9.38	6.88	Up 2.50 percentage points	10.04
Weighted average ROE after deducting non-recurring gains and losses (%)	8.59	3.84	Up 4.75 percentage points	7.44

Explanation of main accounting data and financial indicators of the Company in the previous three years at the end of the report period

√Applicable □Not Applicable

1. The Company's operating revenue increased by RMB 23.08 million YoY, mainly due to the increase in the sales of goods during the current period.

2. The net profit attributable to shareholders of the listed company increased by RMB 407 million over the same period of the previous year. This was mainly due to an increase of RMB 92 million in net operating revenue and operating cost, an increase of RMB110 million in investment income, a decrease of RMB 24 million in non-operating expenses and a decrease of RMB172 million in income tax expense compared with the same period of the previous year

3. The net profit attributable to shareholders of the Listed Company after deduction of the non-recurring gains and losses increased by RMB 704 million over the same period of the previous year. This was mainly due to an increase of RMB 407 million in net profit attributable to shareholders of the Listed Company in the same period of the previous year, and a decrease of RMB 297 million in non-recurring gains and losses.

4. The net flow generated by operating activities increased by RMB 1.204 billion over the same period of the previous year, mainly due to an increase of RMB 1.375 billion in net cash deducted from payment for selling goods and providing services.

VIII. Differences in accounting data between foreign and Chinese accounting standards

(i) Differences between the net profit and net assets attributable to shareholders of the Company disclosed in accordance with international accounting standards and China accounting standards in the financial report

Applicable Not Applicable

(ii) Differences between the net profit and net assets attributable to shareholders of the Company disclosed in accordance with overseas accounting standards and China accounting standards in the financial report

Applicable Not Applicable

(iii) Explanation of differences between domestic and overseas accounting standards

Applicable Not Applicable

IX. Key financial indicators by quarter in 2021

Unit: RMB

	1st Quarter January to March	2nd Quarter April to June	3rd Quarter July to September	4th Quarter October to December
Operating revenue	773,146,503.41	1,299,481,223.59	2,053,219,737.59	1,907,995,508.36
Net profits attributable to shareholders of the Listed Company	377,396,281.59	473,118,179.34	358,731,419.31	124,850,026.71
Net profit attributable to shareholders of the Listed Company after deducting non-recurring gains and losses	346,787,473.15	458,193,426.29	344,238,070.51	72,589,031.20
Net cash flow from operating activities	-267,130,288.24	433,866,112.99	1,053,274,803.88	813,071,879.13

Explanation of difference between quarterly data and disclosed data in regular reports

Applicable Not Applicable

X. Non-recurring items and amounts thereof

Applicable Not Applicable

Unit: RMB

Non-recurring items	Amount for 2021	Remark (if applicable)	Amount for 2020	Amount for 2019
Gain or loss from the disposal of non-current assets	-561,416.89		383,206,932.21	108,675,734.58
Government grants that are recognized in the current profit or loss, excluding the government grants that are closely related to the normal operation of the Company and are provided in a fixed amount or quantity continuously according to the national policies and certain standards	23,559,898.01	Please refer to details of other income and government grants accounted for profit or loss for the current period	18,655,980.14	9,031,831.74
Cash occupation fees charged from non-financial enterprises that are recognized in the current profit or loss	107,299,598.45	Fees paid for using fund collected from joint ventures including Tonghui Shangbo and Handing Shangbo	124,744,826.38	241,150,826.18
Gain arising from investment costs for acquisition of subsidiaries, associates and joint ventures by the corporation being less than its share of fair value of identifiable net assets of the investees on acquisition	-		31,308,053.80	-
Gain or loss from changes in fair value of held-for-trading financial assets, derivative financial assets, financial liabilities held for trading and derivative financial liabilities, and investment income from the disposal of held-for-trading financial assets, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt instruments, except for effective hedging during the ordinary course of business	7,298,587.58	Mainly due to gains or losses from the changes in fair value arising from the holding of held-for-trading financial assets and other noncurrent financial assets	-32,578,800.48	68,526,573.42
Profits and losses arising from external entrusted loans	-		11,786,857.07	-
Net income from other non-	3,504,923.76		-4,107,200.75	1,049,413.04

operating activities				
Other profit and loss items that meet the definition of non-recurring profit and loss	1,604,200.49		688,953.43	-
Less: effect of income tax	28,698,936.71		122,917,029.51	103,828,184.21
Effect of minority interest (after-tax)	1,718,948.89		1,408,133.75	6,697.76
Total	112,287,905.80		409,380,438.54	324,599,496.99

Explanation about defining the non-recurring profit and loss items listed in the Explanatory Notice No. 1 of Information Disclosure of Companies Publicly Issuing Securities - Non-recurring Profit and Loss items as the current profit and loss items

Applicable Not Applicable

XI. Items measured at fair value

Applicable Not Applicable

Unit: RMB10,000

Item	Opening balance	Closing balance	Changes for the current period	Amount of impact on current profits
Held-for-trading financial assets	5,171.27	7,537.51	2,366.24	91.80
Other equity instruments investment	66,225.63	64,218.80	-2,006.83	1,254.27
Other non-current financial assets	152,392.52	152,481.93	89.41	2,881.82
Total	223,789.42	224,238.24	448.82	4,227.89

XII. Others

Applicable Not Applicable

Section III. Discussion and analysis of managers

I. Discussion and analysis of operation

(I) Market operation

In 2021, facing the complex international trade development environment, and based on the new forms and models of trade, the Company performed digital innovation in trade services, attracted emerging advantageous industries, and implemented a differentiated rent price system; the Company focused on talents, brand, quality and standards, and continued to bring university graduates, design, live broadcast, and standards into the market; the Company integrated the market property, and promoted itself to transform from a management company to a service company.

During the report period, the Company took multiple measures to promote the upgrading of the market, enhance its advantages, and guide market traders to upgrade from information trade era to digital trade era. The occupancy rate of the shops in the market maintained above 98% in 2021, and the volume of business reached RMB 186.679 billion, up 14.77% YoY, showing strong resilience and vitality.



1. Precise and intelligent monitoring and control for prevention of the Covid-19 pandemic

The Company promoted the intelligent upgrading for prevention of the pandemic, installed self-service personal health report equipment, and intelligent channel turnstiles, to provide technical support and data guarantee; fully activated the combat model of "communist party members + units", and orderly conducted nucleic acid testing and pandemic prevention drills in various markets to prevent the market from the pandemic and ensure stable operation of the markets.

2. Construction of digital market

Focusing on digitalization empowering the market, and based on management and service, the two application systems of digital management and digital service were built, by setting up the data sharing and application mechanism and sorting and restructuring existing business, thus promote the market's development toward being informational, intelligent and user-friendly.

(1) Building digital customer service center

During the report period, the Company completed the development of the modules of pledging, lease renewal, transfer, online basic management and upgrading of module of market trader integrity credit, and conducted trial operation of digital customer service center.

(2) Launch of online platform for purchasers

On August 21, 2021, the Company launched the online platform for purchasers, which includes the service modules such as market navigation, online goods searching and intelligent parking, and has a average daily traffic of 64k.

(3) Development of intelligent design system

Starting from product package design and pattern, the Company joined hands with universities and colleges including Zhejiang University and Yiwu Industrial & Commercial College to develop an intelligent design system, to provide intelligent product design for merchants in the markets.

3. Empowering the market

(1) Bringing university graduates into the market

Through design competition that includes 100 universities and colleges, more than 9300 undergraduates in design provided design service for market traders; undergraduates "selling goods in booth" activities were conducted, and a communication platform for merchants and undergraduates was established, matching over 2000 people; college graduates and people with higher education level accounted for 26.9% of all the merchants in the market, indicating a rising year-by-year trend.

(2) Bringing design into the market

During the report period, the Company successfully held the Forth "Yiwu China Commodities City Cup" International Commodities Creative Design Competition, set up 20 design markets and 8 planning and design booths, attracted 1000 designers and identified 1000 designer shops and launched 12.6k new products.

(3) Bringing live broadcast into the market

In 2021, the Company set up chinagoods live broadcast center and digital live broadcast industrial incubator, organized market traders to perform live broadcast for over 1000 times, and conducted 147 trainings for live broadcast e-commerce for nearly 5000 people. The Company joined hands with Kuaishou platform to hold the first "Yiwu China Commodities City 415 Live Broadcast Purchase Festival", which was promoted in all channels and provided with 100 million traffic and allowed brands to be exposed to consumers across China, with a GMV of RMB 1.69 achieved. The Company cooperated with top live e-commerce agencies in China such as "Make Friends", to help merchants in the market seize the opportunity of "e-commerce + live stream".

(4) Bringing standards into the market

During the report period, the Company sorted standards at home and abroad for 12 major industries, released 25 relevant reports, guided industrial association to develop multiple Group standards, and conducted 43 trainings on standardization for over 5500 people.

4. Direction of market service

Based on the operation concept of "Find products for buyers, and expand channels for sellers", the Company sorted its core business, built the frame of manager salary system, set up the path for transformation from manager to operation specialist, and eventually promoted the Company's transformation from a management company to a service company.

5. Constructing overseas market

Dubai Yiwu China Commodity City, the first overseas market of the Company, will start trial operation in March 2022, and its shop occupancy rate has reached 99%. It's a comprehensive wholesale market with multiple functions including product display, warehousing as well as bonding, and has 1600 shops and 324 warehouses, covering eight industries. The market can give full play to the Dubai's advantages in policies and make full use of Dubai's radiation effect on Mideast, North Africa and other regions, thus complementing each other with Yiwu China Commodity City. Through commodity sales exhibition, bonded warehousing, transshipment, and others, the market can promote bilateral trade and industrial investment between China and UAE and its neighboring countries, and strive to be a win-win cooperation model of the "Belt and Road" Initiative.



(II) Promote trade digitalization

In 2021, the Company optimized the digital functions and applications of the chinagooods platform for display transactions, logistics performance, trade finance, and some other fields in depth. The big data company (the operator of the chinagooods platform) has realized a revenue of RMB 140 million and a net profit of RMB 27.47 million. The platform has achieved a total GMV of RMB 16.8 billion in 2021.

1. Implementing digital top-layer design

During the report period, the Company enhanced digital new architecture, completed 5G covering in main markets and modification of Gigabit broadband; built Data Center Manager and

completed collecting, cleaning and filing of data for hundreds of systems; set up the implementation path for digitalization, improved the data security system and guaranteed network operation maintenance security.

2. Iteration and optimization of chinagoods platform

In 2021, Chinese Website, English Website, Arabic Website and Spanish National Website were launched on the platform and digitalization of traders and goods; The Company promoted R&D of core products of the platform and explored linked trade between the platform and oversea business. 60000 shops have been launched on the platform, with 460 kinds of commodities and over 1.2 million registered purchasers.

3. Results of application

The integration of chinagoods and the online purchase platform was accelerating, which would create commodity digital trade application scenario. Daikuanbao realized transaction amount over RMB 100 million; Caigoubao was launched, laying the foundation for subject manifestation and data provenance; Digital trade cockpit was launched, enabling display of all trade data on one screen.

chinagoods platform is an important measure of the Company for digital transformation, is an important means for the Company's transformation, upgrading, expansion and development in the era of trade digitalization and information technology revolution, is a sign of integration of the Company's online and offline markets.

(III) Build a global supply chain service system

Yiwu market is an important platform connecting the domestic and international trade supply chains, and is at the key node of the global small commodity supply chain. It plays an important role in smoothing the internal circulation, improving the external circulation, and serving the new pattern of "dual circulation".

1. Warehousing and logistics system

The warehousing and logistics system was developing steadily. The united warehousing information platform, cargo space booking system and express and drayage operation platform were launched. Chinagoods digital cloud warehouse and Huanqiuyida Logistics Supply Chain Industry Park were put into operation. 206 international logistics lines were launched and accumulated goods delivered reached 1 million cubic meters.

2. Oversea warehouses

The expansion of oversea warehouses was accelerating. As of the end of the report period, the Company laid out 120 oversea warehouses, with a total area over 600k m², covering 46 countries and regions and serving export over RMB 6 billion. The Company laid out 15 "Bring you to China" exhibition halls, with a total area over 4200 m², displaying 21k SUK of commodities. The five exhibition halls in Czech, Rwanda, Benin, Philippines, and Thailand achieved "oversea warehouse + exhibition hall" operation mode. The Company brought Yimi Supply Chain and other enterprises to conduct trial operation of "chinagoods national website+ oversea warehouse + exhibition hall" mode.

3. Comprehensive Bonded Zone

Yiwu Comprehensive Bonded Zone, as an exemplary project of Yiwu that was taken into free trade trial zone, was one important mission that the state and Zhejiang Provincial Government granted Yiwu. During the report period, the growth of Yiwu Comprehensive Bonded Zone was sped up and the phase I project was put into operation on October 22, 2021; the planning and construction of phase II project has started. As of the end of the report, nearly 20 key projects such as "Zhejiang Non-ferrous Metal Trading Allocation Center Project", "Comprehensive Bonded Zone Store-Warehouse-Field Whole Industry Chain Project", "B2B Intelligent Manufacturing Allocation Warehouse Project" were signed. The Company attracted big enterprises with existing enterprises, getting multiple top trade enterprises to enter the Bonded Zone.

Since it was put into operation, bonded logistics business such as cross-border e-commerce 1210 and general trade import and export was conducted steadily, with great achievements: Whole-area Supply Chain Financial Service Platform (Phase I) was launched, tariff guarantee product "Guanshuibao" and "Customs Separate Payment Guarantee" and other business were implemented; first "Bonded Zone-port linkage + staple commodity" business was completed; on November 24, first cross-border bonded live broadcast was conducted in warehouse D2; on December 9, first check business for returned goods entering the Bonded Zone was completed in Yiwu Comprehensive Bonded Zone. After two months of operation, Yiwu Comprehensive Bonded Zone achieved total amount of import and export of RMB 2.8 billion.



(IV) Self-operated business stepped into a new phase

During the report period, the Company integrated the source supply chain resources of Yiwu market, combined "Trendy domestic commodities" and "Imported good commodities", built a trade system of "All good commodities" for sales at home and abroad, to serve the dual circulation of domestic circulation and international circulation, and promote the brands of "Yiwu Selection" and "ICMall". As of the end of the report period, the income from commodity sales reached RMB 2.593 billion, which was a big leap.

1. On supply side

In 2021, the Company's two self-run brands "Yiwu Selection" and "ICMall" through direct sourcing, domestic agency, OEM production and other ways, gained a total of 108 domestic and foreign brand agencies, 20,000 + SKU of high-quality single products, 2000 core suppliers in the warehouse, 3000 advantageous commodities. The business scope covered seven categories of home life, beauty makeup and skin care, maternal and child products, snacks and drinks, entertainment and cultural innovation, toys and digital products, and cross-border goods. It aimed to create a supply chain service platform with full-scene digitization, full-link new experience and O2O online-offline integrated development.

2. On sales and distribution side

The Company's expansion of online and offline sales and distribution channels for "Yiwu Selection" and "ICMall" was accelerating. On the offline side, the Company actively expanded domestic second-level wholesale market and industry dealer channels, and accumulated over 2000 cooperation channels by parent brand authorization, subsidiary brand joining, supply chain cooperation and other means, and was selected as a trial project of first special campaign for optimization and upgrading of national commodity market. On the online side, the Company explored cross-border incubation mechanism, set up short video and live broadcast business, and opened and operated chinagoods oversea flagship shop, TikTok self-operated shop, Kuaishou self-operated shop and others, completing 149k online orders.

3. On service side

The Company enhanced its supply chain service ability, signed over 30 warehousing service providers and over 50 logistics service providers and completed customs clearance for over 4000 TEU imported commodities. As of the end of the report period, the accumulated signed import trade amount reached RMB 1.86 billion.

(V) Speeding up digitalization of exhibition

During the report period, the Company's subsidiary Shangcheng Exhibition took the opportunity that Yiwu market is a pilot of digitalization transformation, took Yiwu's construction of intelligent city into account, and made full use of IoT, internet, cloud computing, intelligent analysis and other technologies, to build a intelligent service exhibition system; based chinagoods platform, built a safe, reliable, efficient and useful cloud digital exhibition platform, and promoted the online-offline dual drive exhibition mode to be mature and standardize; cooperated with Yiwu Market Development Committee and other government authorities the "Visit Exhibition Hall Here" platform, which would provide more convenient and comfortable exhibition experience for exhibitors, participants and audience; fined data management, and analyzed Group features, information channels and preferred types and other dimensions of data, to form digital economy that takes data as the key

element; explored in depth the value of digital venues and maximized digital technologies' new advantages.

To get rid of the restrictions that the pandemic imposed on offline exhibition as soon as possible, and find the new opportunity of exhibition industry, Shangchen Exhibition actively explored the construction of online exhibition platform in depth and successfully made a breakthrough. In 2021, Shangcheng Exhibition expanded the scale of online exhibition, and successfully held multiple online-offline combined exhibitions including online China Yiwu International Commodities Fair, online China Yiwu International Forest Product Fair and online China Yiwu Cultural and Tourism Products Trade Fair, with 250 million visits for online exhibition, which formed a new development trend of online-offline combination of exhibition.

II. Description of the industry of the Company during the reporting period

In 2021, thanks to China's stable economic and social development and its leading position in the world in epidemic prevention and control, China's potential of the foreign trade industry was fully tapped and its comprehensive competitiveness continued to improve. The changing flow of commerce promoted the emergence and evolution of the structural trend of foreign trade. China is at the key point of "top-down" comprehensive transformation and upgrading of foreign trade in the national strategy, and Yiwu plays a pivotal role in this key point.

1. National policies for the industry

In July 2021, "Opinions about speeding up the development of new forms and modes of foreign trade" (hereinafter referred to as the "Opinions") issued by the General Office of the State Council, clearly supports the development of cross-border e-commerce, overseas warehouse, market procurement trade mode, comprehensive service enterprises in foreign trade, offshore trade, convenient trade payment and settlement, and other new forms and modes of foreign trade, to inject new vitality to the development of foreign trade.

The "Opinions" stressed that "the policy frame for market procurement trade mode will be optimized, and that by 2025, 10 integrated markets for domestic and foreign trade with export amount over RMB 100 billion will be produced, and a host of famous brands will be created", which points out the direction and specifies the goals for market procurement trade mode in the new phase.

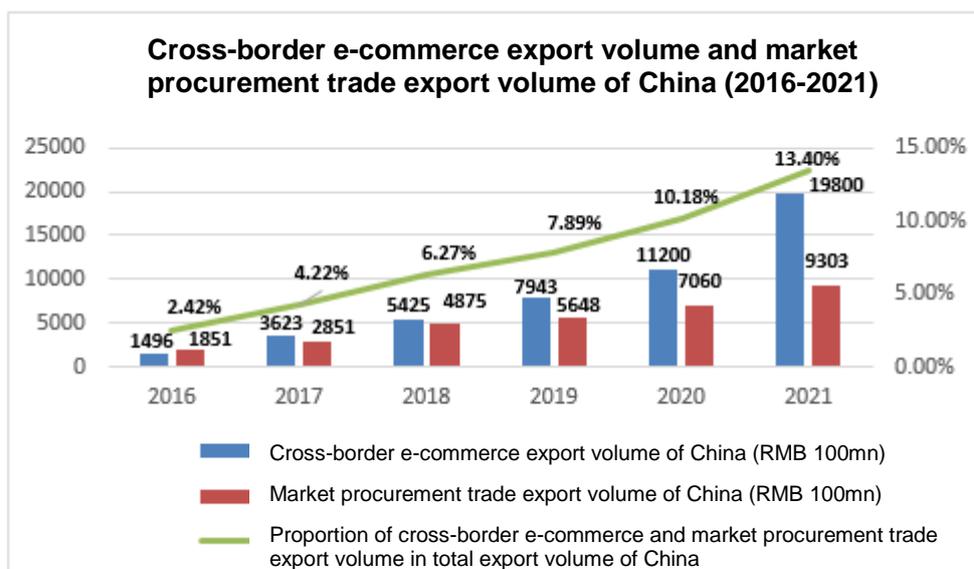
2. Yiwu market

Yiwu relies on its over 2.1 million micro, small and medium-sized enterprises to maintain trade with over 230 countries and regions across the world, with an export-oriented degree of 65%. Focusing on the goods aggregation of nearly RMB 400 billion import and export amount in the market, cross-border rail and air transportation capacity develops rapidly, which, together with the

low cost of domestic logistics, bring super high logistics efficiency for LCL export, thus drives emergence and development of a considerable number of new B2C cross-border e-commerce enterprises.

(1) The overall situation of Yiwu market

In 2021, Yiwu's total import-export amount reached RMB 390.31 billion, up 24.7% YoY; of which, the total export amount was RMB 365.92 billion, up 21.7% YoY, and the total export amount exceeded that of 18 provinces; the total import amount was RMB 24.39 billion, up 95.3% YoY.



In 2021, Yiwu's foreign trade export achieved excellent performance, and market procurement trade was an important booster.

(2) Market procurement trade in Yiwu

Since 2013, China's Ministry of Commerce and other relevant departments have first carried out pilot projects under market procurement trade mode in Yiwu. In the business process, supervision, information construction and other aspects, Yiwu took the lead, with tailored support policies, VAT exemption without refund, simplified declaration and other breakthroughs in policy. A relatively complete territorial comprehensive management system and commodity identification system were gradually formed. Since then, China has recognized 31 market procurement trade pilot units in 15 provinces for 5 batches.

	Pilot Projects of Market Procurement	Date of establishment
First batch	Pilot Project of Market Procurement of Zhejiang Yiwu Market	April 2013
Second batch	Jiangsu Haimen Diishiqiao International Home Textile City, Zhejiang Haining Leather City	December 2015
Third batch	Changshu Clothing City, Jiangsu Province; Huadu Leather and Leather Goods Market, Guangzhou, Guangdong Province; Linyi City, Shandong Province; Hankou North International Commodity Exchange Center, Wuhan, Hubei Province; Baigou Bag Market, Hebei Province	September 2016

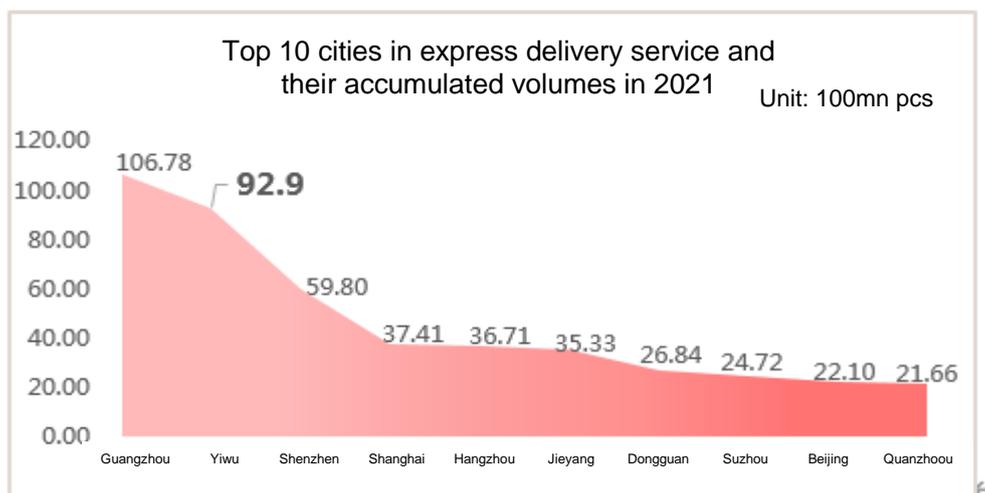
Fourth batch	Zhejiang Wenzhou (Lucheng) Light Industrial Products Trading Center, Quanzhou Shishi Clothing Mall, Fujian Province, Gaoqiao Market, Hunan Province, Foshan (Shunde) Asia International Furniture Material Trade Center, Zhongshan City and Lighting Exhibition Center, Zhongshan City, Sichuan Province, Chengdu International Trade Center	November 2018
Fifth batch	Liaoning Xiliu Clothing City, Zhejiang Shaoxing Keqiao China Light Textile City, Zhejiang Taizhou Luqiao Daily Necessities and Plastic Products Trading Center, Zhejiang Huzhou (Zhili) Children's Wear and Daily Consumer Goods Trading and Management Center, Anhui Bengbu Zhongheng Trade City, Fujian Jinjiang International Shoes Textile City, Shandong Qingdao Jimo International Trade City, Shandong Yantai three station wholesale trading market, Henan China (Xuchang) International Hair products trading market, Hubei Yichang Three Gorges Logistics Park, Guangdong Shenzhen South China International Industrial Raw Materials City, Guangdong Shantou Bao 'ao International Toy City, Guangdong Dongguan Dalang Wool Trade Center, Yunnan Kunming Junfa - New Luosiwan International Trade City, Yunnan Ruili International Commodity Exchange Market (border Trade Commodity Market), Inner Mongolia Manzhouli Mangou Center (Border Trade Commodity Market), Guangxi Sample Export Commodity Purchase Center (Border Trade Commodity Market)	September 2020

Yiwu is the leader and demonstration center of market procurement trade in China, and has maintained high-speed growth for 7 years in a row, with a compound annual growth rate over 30%, which has effectively unlocked the validity of the market subject and further improved the convenience level of trade.

In 2021, China's total import under market procurement trade mode was RMB 930.39 billion, of which Yiwu's total import under market procurement trade mode was RMB 290.16 billion, accounting for 31.2% of that of China, up 30.1% YoY.

(3) Siphonic effect of logistics of Yiwu

There is a continuous "siphonic effect" of Yiwu, due to its strong goods sources guarantee, good business environment, and multi-dimensional domestic-international logistics network consisting of sea, road, air and railway, express, China-Euro Railway Express, and others. In 2021, Yiwu's express delivery service enterprises completed 9289.574 million express orders, up 29.50% YoY.



III. Description of the business of the Company during the reporting period

According to the definitions in the Guidelines for Industry Classification of Listed Companies (revised in 2012) released by the CSRC, the Company is engaged in “Business Service” (L72) in “Lease and Business Service” (L).

(I) Main businesses

The Company is engaged in market development and operation and supporting services, providing online trading platform and services, online trading market development and operation, etc., belonging to the comprehensive industry category.

(II) Operating model

1. Market operation

Market operation business is mainly operated and managed by the Company's subordinate market branches. The main business income of the market operation segment is mainly the income from the use of shops. The Company adopts a shop rental model, that is, the ownership of the shops belongs to the Company, and market traders only have the right to use the shop within the contract period. The Company and market traders sign a contract to clearly stipulate the use period, usage fee and business purpose of the shops. The merchant shall not change the agreed business purpose, and shall not sublet without the Company's consent. Generally, the payment methods of usage fee are one-time payment or installment payment according to the contract terms. Currently the markets that the Company is responsible for operating include Zone 1 to Zone 5 of the International Trade City, Importing Market, Zone 1 East Expansion Market, Huangyuan Market and International Production Goods Market.

2. Online trade platform

Relying on the Company's market resources of 75,000 off-line shops, Yiwu market official website “chinagoods” platform (www.chinagoods.com, referred to as “chinagoods platform”) provides service for 2.1 million micro, small, and medium enterprises in the upper reaches of the industry chain. With trade data integration as the core driver, it meets the needs of both supply and demand parties in manufacturing, display transactions, warehousing and logistics, financial credit, market management and other links to achieve effective and accurate allocation of market resources, and build a true, open, and integrated digital trade comprehensive service platform.

IV. Analysis of core competencies during the reporting period

Applicable Not Applicable

(I) First-mover advantages

At the start of China's reform and opening-up, Yiwu took the lead in establishing the commodities market. During the recent forty years, the market has been upgraded five times and expanded ten times and has been among the top comprehensive national markets with the highest turnover, pointing to its remarkable first-mover advantages. As the largest commodities distribution

center in the world, the Yiwu commodities market provides more than 2million products, which fall in 26 categories and supports one-stop purchase. The market boasts enormous resources and huge business flow, goods flow, cash flow and information flow.

(II) Brand advantages

“Yiwu China Commodities City” is the first market identified by the SAIC as a well-known trademark among the national commodities trading markets. The Company has taken multiple measures to give play to the brand of “Yiwu China Commodities City” and is committed to improving its influence and leading role in the industry. Its brand advantages and influence have kept enhancing.

(III) Auxiliary services advantages

The People’s Government of Yiwu has been providing policy support for the development of the market for years, and the auxiliary industries are developing rapidly in Yiwu.

1. Convenient logistics system

Yiwu has in place perfect commerce and trade auxiliary facilities and advantageous logistics service. The logistics network has full coverage in Yiwu. A large number of large-sized international and domestic express delivery and logistics companies have regional distribution centers in Yiwu, and a world-oriented goods transport and distribution network has been established. Yiwu has been listed among the “commerce and trade-oriented national logistics hubs” by the National Development and Reform Commission and the Ministry of Transport. According to the operation of the postal industry in 2021 that was announced by the State Post Bureau, the express delivery business volume of Yiwu ranked second in China in 2021.

2. Industry support

During the recent years, thanks to the Yiwu China Commodities City, the Yiwu-centered manufacturing industry cluster has been developing fast, an commodities industrial belt that is centered in Yiwu and covers Jinhua, Lishui, Quzhou, Hangzhou, Jiaying, Taihu, Shaoxing, Ningbo, Wenzhou and Taizhou with an area of nearly 10,000 sq.m has been established, and a benign mechanism under which the Yiwu wholesales market and the peripheral industry cluster develop together has been formed.

3. Support from exhibition service

The major international trade exhibitions held by the Company’s exhibition business division such as China Yiwu International Commodities Fair, China Yiwu International Forest Products Fair, China Yiwu International Imported Commodities Fair and China Yiwu Hardware and Electrical Expo support and cultivate vertical exhibition in multiple industries such as stationery and textiles, have developed multiple professional and international exhibition brands, and are important national platforms for the China Commodities City to lead industry development, develop the city economy and maintain the clusters of traders and commodities.

(IV) Diversified businesses advantage

The Company has strengthened its presence in the related industries, made efforts on financial investment, kept developing the exhibition business, created a new e-commerce model, developed the hotel business and also run international trade, modern logistics, advertising information,

shopping and tourism businesses. It has created a Group structure and profit-making model of shared and interactive development of market resources.

(V) Management advantage

In terms of personnel, management and technology, excellent operation and management ability is one of the core competences of the Company as a professional market operating company. The Company has developed a series of perfect management systems for market operation and management, accumulated rich experience in operation and management, and has cultivated a professional management team with reasonable knowledge and expertise structures and strategic development insights.

(VI) Advantage of online and offline platform integration

The Company's international trade city is the global leading commodity market. The Company's official Yiwu CCC website, chinagoods platform, relying on the Company's 75,000 off-line shops, through integration of online and offline services, serves 2 million small, medium and micro enterprises in the upper reaches of the industry chain. With trade data integration as the core driver, it meets the needs of both supply and demand parties in manufacturing, display transactions, warehousing and logistics, financial credit, market management and other links.

(VII) Advantage of international logistics

The Company's HuanqiuYida international logistics business, establishes a logistics platform to replace the multi-layer freight forwarder system, thus shortening the level of freight forwarder distribution, and improving logistics efficiency. In contrast, the traditional foreign trade freight forwarders are divided into multiple levels, the logistics and transportation services are not standardized, and the service prices vary widely and are usually not the lowest price.

V. Operating status during the reporting period

In 2021, the Company's operating revenue was RMB 6.034 billion, up RMB 2.308 billion, or 61.95% YoY; Net profit attributable to shareholders of the parent company was RMB 1.334 billion, up RMB 407 million, or 43.97% YoY.

(i) Analysis of main business

1. Analysis of changes in related accounting subjects of income statement and cash flow statement

Unit: RMB

Item	Amount in the current report period	Amount in the same report period of the previous year	YoY change (%)
Operating revenue	6,033,842,972.95	3,725,686,100.39	61.95
Operating cost	4,027,543,138.56	1,811,136,443.99	122.38
Sales expenses	204,745,974.57	241,889,186.44	-15.36
Administrative expenses	453,543,427.80	377,516,845.45	20.14
Financial expenses	179,911,613.70	182,089,699.33	-1.20
R&D expenses	10,308,801.84	18,507,626.99	-44.30
Net cash flow from operating activities	2,033,082,507.76	828,788,261.95	145.31

Net cash flow from investing activities	1,650,766,978.93	636,113,348.17	159.51
Net cash flow from financing activities	-1,701,935,200.78	-2,855,836,638.69	Not applicable

Reasons for the change in operating revenue: the Company's operating revenue increased by 61.95% YoY, mainly due to the increase in the sales of goods during the current period.

Reasons for the change in operating cost: The Company's operating cost increased by 122.38% YoY, mainly due to the increase in the sales of goods during the current period.

Reasons for change in R&D expenses: the Company's R&D expenses decreased 44.30% YoY, mainly due to the increase in expensed R&D investment during the current period.

Reasons for the change in the net flow generated by operating activities: mainly due to an increase of RMB 1.375 billion in net cash deducted from payment for selling goods and providing services.

Reasons for changes in net cash flow from investment activities: mainly because the net outflow of investment during the current period decreased by RMB 1.958 billion YoY, and cash paid for purchasing and construction of fixed assets, intangible assets and other long-term assets increased by RMB 830 million YoY.

Reasons for changes in net cash flow from financing activities: Mainly because the net inflow of financing during the current period decreased by RMB 1.385 billion YoY, cash received for absorbed investment decreased by RMB 142 million YoY, and cash paid for dividends and interest payments increased by RMB 113 million YoY.

Details of material changes to the business types, the components, or sources of profits of the Company in this reporting period

Applicable Not Applicable

2. Revenue and cost analysis

Applicable Not Applicable

In 2021, the Company's operating revenue was RMB 6.034 billion, up 61.95% YoY, and the Company's operating cost was RMB 4.028 billion, up 122.38% YoY.

(1). Main business by industry, product and region

Unit: RMB10,000

Main business by industry						
By industry	Operating revenue	Operating cost	Gross profit margin (%)	Change in operating revenue YoY (%)	Change in operating cost YoY (%)	Change in gross profit margin YoY (%)
Market operation	239,646.10	86,713.96	63.82	12.66	-3.47	Up 6.05 percentage points
Sales of goods	259,327.86	258,667.18	0.25	575.71	577.11	Down 0.21 percentage points
Hotel service	12,745.36	13,376.12	-4.95	-14.75	-7.04	Down 8.70 percentage points
Exhibition	11,953.88	12,296.06	-2.86	24.08	15.66	Up 7.49 percentage

and advertising						points
Other services	34,932.61	16,028.14	54.12	43.42	14.48	Up 11.60 percentage points
Sub-total	558,605.81	387,081.46	30.71	82.59	128.24	Down 13.86 percentage points

Explanation of main business by industry, product, region and sales mode

1. The revenue and cost of product sales increased by 575.71% and 577.11% respectively year-on-year, mainly due to the large year-on-year increase in the commodity sales business of import and export companies and supply chain companies in the current period

2. The revenue of other services increased by 43.42% year-on-year, mainly due to the information technology services conducted by the big data company.

(2). Table of production and sales analysis

Applicable Not Applicable

(3). The performance of major purchase contracts and major sales contracts

Applicable Not Applicable

(4). Cost Analysis Table

Unit: RMB10,000

Status by industry							
By industry	Cost components	Amount in the current period	Proportion in the total cost in the current period (%)	Amount in the same period of prior year	Proportion in the total cost in the prior corresponding period (%)	Percentage change of amount in the current period compared with the prior corresponding period (%)	Situation Remarks
Market operation	Depreciation and amortization	46,031.98	11.89	46,198.46	27.24	-0.36	
Market operation	Wages and benefits	22,111.44	5.71	20,669.29	12.19	6.98	
Market operation	Other costs	18,570.54	4.80	22,967.84	13.54	-19.15	
Sales of goods	Cost of product sales	258,667.18	66.82	38,201.55	22.53	577.11	Mainly due to the increase in product sales
Hotel service	Depreciation and amortization	2,432.99	0.63	2,557.02	1.51	-4.85	
Hotel service	Cost of food and beverage raw materials	4,356.83	1.13	5,969.28	3.52	-27.01	
Hotel service	Wages and benefits	4,216.87	1.09	4,077.68	2.40	3.41	
Hotel service	Material and fuel	759.03	0.20	716.93	0.42	5.87	

	consumption						
Hotel service	Other costs	1,610.40	0.41	1,067.58	0.63	50.85	
Exhibition advertising service	Depreciation and amortization	4,167.15	1.08	3,771.71	2.22	10.48	
Exhibition advertising service	Exhibition and advertising cost	6,311.12	1.63	5,172.71	3.05	22.01	
Exhibition advertising service	Other costs	1,817.79	0.47	1,687.16	0.99	7.74	
Other services	Property management cost	2,318.52	0.60	2,237.42	1.32	3.62	
Other services	Network transformation and service	7,542.35	1.95	7,975.07	4.70	-5.43	
Other services	Other costs	6,167.27	1.59	3,788.81	2.24	62.78	Mainly due to the increase in costs of warehousing and logistics during current period
Real estate sales	Cost of real estate sales	-	-	2,537.33	1.50	-	No income this year, so it could not be compared
Total		387,081.46	100.00	169,595.84	100.00	128.24	

Explanation on cost analysis and other information

None

(5). Changes in consolidation scope due to the changes in main subsidiaries' share ownership during the report period

Applicable Not Applicable

(6). Major changes or adjustment in the Company's business, products or services

Applicable Not Applicable

(7). Main sales customers and suppliers

A. Main sales customers of the Company

Case in which the sales to a single customer accounted for over 50% of the total sales, new customers were added to the list of top 5 customers or the Company relied heavily on a few customers during the report period

Applicable Not Applicable

B. Main suppliers of the Company

Case in which the purchase amount for a single supplier accounted for over 50% of the total purchase amount, new suppliers were added to the list of top 5 suppliers or the Company relied heavily on a few suppliers during the report period

Applicable Not Applicable

Other statements

None

3. Costs

Applicable Not Applicable

Unit: RMB10,000

Item	2021	2020	YoY change amount	Change / %	Explanation on changes
Sales expenses	20,474.60	24,188.92	-3,714.32	-15.36	
Administrative expenses	45,354.34	37,751.68	7,602.66	20.14	
R&D expenses	1,030.88	1,850.76	-819.88	-44.30	Due to decrease in expended R&D investment in this period
Financial expenses	17,991.16	18,208.97	-217.81	-1.20	
Income tax expenses	32,752.52	49,975.50	-17,222.98	-34.46	Due to the YoY decrease in taxable income

Unit: RMB10,000

Item	2021	2020	YoY change amount	Change / %
Staff expenses and work clothes	32,636.89	24,502.91	8,133.98	33.20
Advertising expenses	4,564.90	9,441.10	-4,876.20	-51.65
Security and insurance costs	3,830.60	2,711.54	1,119.06	41.27
R&D expenses	1,030.88	1,850.76	-819.88	-44.30
Depreciation and amortization	3,869.35	3,868.23	1.12	0.03
Promotion and investment promotion	12,124.46	10,567.68	1,556.78	14.73
Intermediary expenses	2,348.08	3,852.94	-1,504.86	-39.06
Office expenses	1,761.61	2,003.44	-241.83	-12.07
Water, electricity and fuel consumption	135.19	365.14	-229.95	-62.98
Rent and property management	307.15	307.15	-	-
Other expenses	4,250.71	4,320.47	-69.76	-1.61
Subtotal of management, R&D and sales expenses	66,859.82	63,791.36	3,068.46	4.81

1. Reasons for YoY increase in staff expenses and work clothes: mainly due to the increase in performance and the increase in wages with gross wages management methods.

2. Reasons for YoY decrease in advertising expenses: mainly due to the cancellation of oversea advertising under the influence of the Covid-19 pandemic.

4. R&D Investment

(1). Table of R&D investment status

Applicable Not Applicable

Unit: RMB10,000

Expended R&D investment in this period	1,030.88
Capitalized R&D investment in this period	2,860.04

Total R&D investment	3,890.92
Total R&D investment as a percentage of operating income (%)	0.64
Proportion of capitalization of R&D investment (%)	73.51

(2). Table of R&D personnel status

√Applicable □Not Applicable

Number of R&D personnel	139
Number of R&D personnel as a percentage of the Company's total personnel number (%)	3.29
The education level of R&D personnel	
Education level	People at this education level
Master's degree	7
Bachelor's degree	99
College graduates	33
Age of R&D personnel	
Age range	People in this age range
Below 30 (30 excluded)	62
30-40 (30 included, 40 excluded)	64
40-50 (40 included, 50 excluded)	11
50-60 (50 included, 60 excluded)	2

(3). Reasons for change

□Applicable √Not Applicable

(4). Reasons for major changes in the composition of the R&D personnel and their influence on the Company's future development

□Applicable √Not Applicable

5. Cash flow

√Applicable □Not Applicable

Unit: RMB10,000

Item	2021	2020	YoY change
Net cash flow (used)/generated from operating activities	203,308.25	82,878.83	120,429.42
Net cash flow (used)/generated from investing activities	165,076.70	63,611.33	101,465.37
Net cash flow (used)/generated from financing activities	-170,193.52	-285,583.66	115,390.14
(Decrease)/increase in cash and cash equivalents	197,382.55	-139,406.97	336,789.52

Analysis of main reasons for changes:

1. The net cash flow from operating activities in 2021 increased by RMB 1.204 billion compared with that in 2020. Mainly due to an increase of RMB 1.375 billion in net cash deducted from payment for selling goods and providing services.

2. The net cash flow from investment activities in 2021 increased by RMB 1.015 billion compared with that in 2020. Mainly because the net outflow of investment during the current period decreased by RMB 1.958 billion YoY, and cash paid for purchasing and construction of fixed assets, intangible assets and other long-term assets increased by RMB 830 million YoY.

3. The net cash flow from financing activities in 2021 increased by RMB 1.154 billion compared with that in 2020. Mainly because the net inflow of financing during the current period decreased by RMB 1.385 billion YoY, cash received for absorbed investment decreased by RMB 142 million YoY, and cash paid for dividends, profits or interest payments increased by RMB 113 million YoY.

(ii) Material changes to profits caused by non-main businesses

□Applicable √Not Applicable

(iii) Analysis of assets and liabilities

√Applicable □Not Applicable

1. Assets and liabilities

Unit: RMB10,000

Item	Closing balance in current period	Proportion in total assets at the end of the current period	Closing balance in the prior period	Closing balance's proportion in total assets in the prior period (%)	Percentage change of the closing balance of the current period compared with the prior period (%)	Reasons for change
Total assets	3,101,463.55	100.00	2,875,012.71	100.00	7.88	
Monetary capital	483,146.84	15.58	561,264.29	19.52	-13.92	
Held-for-trading financial assets	7,537.51	0.24	5,171.27	0.18	45.76	Mainly due to buying bank wealth management products
Accounts receivable	18,523.75	0.60	15,357.35	0.53	20.62	
Prepayments	87,516.77	2.82	10,518.75	0.37	732.01	Mainly due to the growth of the product sales and the increase in advance payment
Other receivables	135,592.43	4.37	270,847.81	9.42	-49.94	Mainly due to recovering of financial assistance during the reprot period
Inventory	132,740.26	4.28	132,946.77	4.62	-0.16	
Other current assets	24,866.22	0.80	17,972.47	0.63	38.36	Mainly due to the increase in overpaid input VAT tax
Long-term receivables	22,230.74	0.72	12,675.66	0.44	75.38	Mainly due to the increase in the financial aids from Dubai project company
Long-term equity investment	577,245.52	18.61	383,289.75	13.33	50.60	Mainly due to the capital increase of joint ventures and increase in investment income by equity method
Other equity instruments	64,218.80	2.07	66,225.63	2.30	-3.03	

investment						
Other non-current financial assets	152,481.93	4.92	152,392.53	5.30	0.06	
Property investment	297,393.64	9.59	196,042.63	6.82	51.70	Mainly because BD zone of the comprehensive Bonded Zone was completed and transferred in
Fixed assets	507,859.09	16.37	523,429.38	18.21	-2.97	
Construction in progress	109,057.80	3.52	98,289.19	3.42	10.96	
Right-of-use assets	22,534.71	0.73	-	-	Not applicable	Presented for the adjustment under the new standard for lease
Intangible assets	404,356.46	13.04	390,078.10	13.57	3.66	
Development expenses	635.98	0.02	2,222.31	0.08	-71.38	Mainly due to the transfer-in of intangible assets
Long-term prepaid expenses	18,818.44	0.61	11,072.87	0.39	69.95	Mainly because the transformation of Yindu Hotel was completed and it was transferred in
Deferred income tax assets	13,573.70	0.44	9,966.43	0.35	36.19	Mainly because it was re-determined
Other non-current assets	21,132.96	0.68	15,249.52	0.53	38.58	Mainly due to prepayment for the pay license of Kuaijietong
Total liabilities	1,638,379.34	52.83	1,517,541.78	52.78	7.96	
Short-term borrowings	94,273.61	3.04	125,717.94	4.37	-25.01	
Accounts payable	49,336.04	1.59	63,646.38	2.21	-22.48	
Advances from customers	15,356.63	0.50	11,275.29	0.39	36.20	Mainly due to the increase in advance rent of Business Center and others
Contract liabilities	405,841.92	13.09	244,221.18	8.49	66.18	Mainly due to the growth of the product sales and the increase in advances from customers
Payroll payable	24,396.48	0.79	16,149.90	0.56	51.06	Mainly due to calculation by gross wages method
Tax payable	55,949.65	1.80	49,540.05	1.72	12.94	
Other	190,874.28	6.15	164,634.5	5.73	15.94	

payables			6			
Non-current liabilities due within one year	366,424.19	11.81	131,502.66	4.57	178.64	Mainly due to the transfer-in of medium and long-term notes due within one year
Other current liabilities	308,138.48	9.94	302,360.80	10.52	1.91	
Long-term borrowings	77,125.00	2.49	28,200.00	0.98	173.49	Mainly due to new long-term borrowings
Bonds payable	-	-	355,216.17	12.36	-100.00	Mainly due to the transfer-out of medium and long-term notes due within one year
Lease liabilities	20,594.27	0.66	-	-	Not applicable	Mainly due to the transfer-in because of the adjustment under the new standard for lease
Estimated liabilities	11,062.03	0.36	11,062.03	0.38	-	
Deferred income	7,817.01	0.25	2,654.53	0.09	194.48	Mainly due to receiving the start-work reward of comprehensive Bonded Zone
Deferred income tax liabilities	11,189.75	0.36	11,360.29	0.40	-1.50	

Other statements

None

2. Overseas assets

Applicable Not Applicable

(1). Scale of assets

Among them: offshore assets was RMB 636 million, accounting for 2.05% of the total assets.

(2). Explanation one the high proportion of offshore assets

Applicable Not Applicable

3. Encumbrances on major assets as of the end of the reporting period

Applicable Not Applicable

Unit: RMB

Item	2021	2020
Monetary capital	60.78	60.58
Long-term equity investment	102,918,559.00	102,918,559.00
Other non-current financial assets	636,870,392.09	617,511,352.00
Total	739,789,011.87	720,429,971.58

1. As of December 31, 2021, bank deposits with a book value of RMB 60.78 (December 31, 2020: RMB 60.58) were restricted for ownership or use rights due to being as security deposits for obtaining commercial housing mortgage loan.

2. As of June 30, 2021, long-term equity investments with a book value of RMB 102,918,559.00 (December 31, 2020: RMB 102,918,559.00) and other non-current assets of RMB 636,870,392.09 (December 31, 2020: RMB 617,511,352.00) were frozen by Shanghai Municipal Public Security Bureau.

4. Other statements

Applicable Not Applicable

(iv) Analysis of business information of industry

Applicable Not Applicable

For details, please refer to "II. The situation of the industry of the Company" in this section

(v) Analysis of investments**Overview of external equity investment**

√Applicable □Not Applicable

At the end of December 2021, the external investment amount was RMB 8,014,837,600 (including trading financial assets of RMB 75,375,100, investment in other equity instruments of RMB 642,188,000, other non-current financial assets of RMB 1,524,819,300, and long-term equity investment of RMB 5,772,455,200), an increase of 32.02%, or RMB 1,944,045,800, compared with RMB 6,070,791,800 at the end of the previous year (including trading financial assets of RMB 51,712,700, investment in other equity instruments of RMB 662,256,300, other non-current financial assets of RMB 1,523,925,300, and long-term equity investment of RMB 3,832,897,500). The main changes are as follows:

I. Long-term equity investment during the reporting period increased by RMB 1,939,557,700 YoY, mainly due to:

1. During the reporting period, the new long-term equity investment was RMB 1,496,216,800, including RMB 1.225 billion for Yiwu China Commodities City Property Development Co., Ltd., RMB 50 million for Yiwu Huishang Redbud Phase II Investment Partnership (LLP), RMB 44.7918 million for JEBEL ALI FREE ZONE TRADER MARKET DEVELOPMENT AND OPERATION FZCO, RMB 17.85 million for Yiwu Digital Port Technology Co., Ltd., RMB 1.075 million for Zhejiang Yixinou Supply Chain Management Co., Ltd., and RMB 150 million for Yiwu Hongyi Equity Investment Foundation Partnership and RMB 7.5 million for Yiwu Meipingshu Supply Chain Management Co., Ltd.

2. Net income from long-term equity investment by equity method of RMB 599,180,300, including recovered equity investment from Huishang Redbud of RMB 17,223,600, distributed dividend from Binjiang Shangbo of RMB 1,372,000, equity dividend from Huishang Redbud of RMB 5,909,200 and other change in equity of Meipingshu of RMB 4,493,400.

II. During the reporting period, the investment in other equity instruments decreased by RMB 20.0683 million year-on-year, due to the change in fair value of Shenwan Hongyuan Group Co., Ltd. during the reporting period for RMB -20.0683 million.

III. During the reporting period, the trading financial assets increased by RMB 23.6624 million year-on-year, including, an increase of RMB 25 million for purchase of bank wealth management products, the gains and losses for changes in fair value of Orient International Ventures Co., Ltd. during the reporting period of RMB -1.3325 million, and an decrease of RMB 5,100 due to selling of subscribed new stocks.

IV. During the reporting period, other non-current financial assets increased by RMB 894,000 year-on-year, including: RMB 40 million for Suzhou Xiangzhong Venture Capital Partnership (LLP), RMB 1 million for Quanzhou Huayun Tiancheng E-commerce Co., Ltd. recovered investment of RMB 3.1865 million from Suzhou Yiyun Venture Capital Center (LLP), recovered investment of RMB 7.2012 million from Jiaxing Zhehua Zijin Investment Partnership (LLP), and recovered investment of RMB 38.2822 million from Beijing Redbud Huaron Equity Investment Co.Ltd., and increase of RMB 8.5639 million for the gains and losses for changes in fair value.

The main investment is as follows:

Unit: RMB10,000

Target	Main business	Cost of investment	Book value at the end of December 2021	Shareholding ratio (%)
Yiwu Shanglv Investment Development Co., Ltd.	Industry investment, investment management (excluding financial businesses such as securities and futures), property service, design, production and agency of domestic advertising, operation and management of parking garages, marketing planning, operation and management consulting, operation and management of shopping malls and business management consulting	39,200.00	38,366.84	49.00
Yiwu Rongshang Property Co., Ltd.	Real estate development and operation, landscape engineering and decoration engineering	5,000.00	21,738.75	49.00
Yiwu Chuangcheng Property Co., Ltd.	Real estate development and sale; lease of proprietary houses; real estate brokerage service; interior decoration service; and landscaping service	2,000.00	8,806.33	24.00
Hangzhou Binjiang Shangbo Property Development Co., Ltd.	Real estate development and operation	2,450.00	3,447.62	49.00
Yiwu Huishang Micro-finance Co., Ltd.	Micro-loans in Yiwu, and consulting services in connection with the development, management and finance for small-sized enterprises	12,420.00	8,282.47	23.00
Zhejiang Chouzhou Financial Lease Co., Ltd.	Financial lease service; transfer of financial lease assets; fixed-income securities investment; acceptance of lessees' lease margin; absorption of time deposit with a term no shorter than three months from non-bank shareholders; inter-financial institutional lending; borrowing from financial institutions; overseas borrowing; sale and disposal of leased items; and economic consulting	26,000.00	42,602.08	26.00
Yiwu China Commodities City Fuxing Investment Center (limited partnership)	Equity investment, investment management and investment consulting	10,291.86	10,291.86	49.90
Yiwu Huishang Redbud Equity Investment Co., Ltd.	Equity investment and related consulting services (without approval of the industry regulatory authorities such as the finance regulatory authority, the Company warrants that it will not be engaged in the absorption of deposits, financial guarantee, agency wealth management, fundraising (financing) from the public and other financial businesses)	3,277.64	7,099.70	10.42

Yiwu Huishang Redbud Phase II Investment Partnership (limited partnership)	Investment management, asset management (excluding the assets subject to special state regulation such as state-owned assets) (the above business scope excludes financial businesses such as securities and futures; and without approval of the industry regulatory authorities such as the finance regulatory authority, the Company shall not be engaged in the absorption of deposits, financial guarantee, agency wealth management, fundraising (financing) from the public and other financial businesses)	10,000.00	10,663.80	9.43
Yiwu Meipinshu Supply Chain Management Co., Ltd.	Supply chain management service, software development, and business management consulting	2,570.14	2,737.09	22.11
Hangzhou MicroAnts Co., Ltd.	Services: technology development, technical consulting, technical services and achievements transfer of computer hardware and software and network information technologies and webpage design; wholesale and retail: computer software	1,275.00	520.05	49.04
Yiwu Hongyi Equity Investment Fund Partnership (limited partnership)	Investment management, equity investment, asset management and investment consulting (without approval of the industry regulatory authorities such as the finance regulatory authority, the Company shall not be engaged in the absorption of deposits, financial guarantee, agency wealth management, fundraising (financing) from the public and other financial businesses)	84,000.00	88,787.23	49.98
Shenwan Hongyuan Group Co., Ltd.	Securities brokerage, securities investment consulting and securities underwriting & sponsorship	55,362.54	64,218.80	0.501
Beijing Yiyun Clean Technology Venture Capital Co., Ltd.	Venture capital, agency of other VC institutions or individuals' VC business	1,891.82	288.00	15.00
Shenzhen Tiantu Investment Management Co., Ltd.	PE investment management in the consumer goods industry	11,438.62	4,788.21	1.536
Beijing Redbud Huarong Equity Investment Partnership	Asset management, investment management and investment consulting	6,171.78	13,846.69	12.36
Mashang Consumer Finance Co., Ltd.	Granting of personal consumption loans; acceptance of deposits from shareholders' domestic subsidiaries and domestic shareholders; lending to domestic financial institutions; issuance of financial bonds upon approval; inter-financial institution lending in China; consumption finance-related consulting; agency sale of insurance products related to consumption loans; and fixed-income securities investment	3,000.00	4,854.75	0.75

Jiaying Zhehua Redbud Investment Partnership (limited partnership)	Industry investment, venture capital, investment management, business management, social and economic consulting. (Operating activities subject to approval in accordance with laws shall only be conducted after approval from related authority) [it shall not be engaged in the absorption of deposits, financial guarantee, agency wealth management, fundraising (financing) from the public and other financial businesses]	8,152.97	11,562.84	17.51
Nantong Redbud Huatong Equity Investment Partnership (limited partnership)	Equity investment; investment consulting; and investment management	20,000.00	25,871.01	21.05
Yiwu Shangfu Chuangzhi Investment Center (limited partnership)	Asset management, investment management, and investment consulting service	61,751.14	63,687.04	74.9982
Yiwu Shanfeng Investment Partnership (limited partnership)	Investment management, asset management and investment consulting	2,600.00	2,388.19	56.40
Fujian Zongteng Network Co., Ltd.	Network information technology service; computer system integration service; development and technical service of computer hardware and software; wholesale, agency purchase and agency sale of maternal and infant products; online operation of electronic products and components and accessories thereof, household supplies and components and accessories thereof, and outdoor goods and components and accessories thereof; market research; business management consulting; enterprise marketing planning; international freight forwarding; and domestic trade agency service; and foreign trade	3,000.00	11,151.71	0.6863
Oriental International Entrepreneurship Co., Ltd.	Food business; self-operated and agent for the import and export of products and technologies other than those that are uniformly organized or approved by the state, "three forms of OEM and compensation trades" and processing of imported materials, development, production, and sales of biological, pharmaceutical and chemical products, international freight forwarding agent, industrial and high-tech industry investment, counter trade, transit trade and service trade, sales: clothing and apparel, shoes and hats, knitwear, leather products, luggage and bags, daily necessities; the second-category medical devices sales.	5,000.00	5,037.36	0.72

Yiwu Guoshen Shangbo Property Co., Ltd.	Real estate development, sale and lease; real estate brokerage service, interior decoration service; and landscaping service	2,000.00	2,416.65	49.00
Yiwu Digital Port Technology Co., Ltd.	Communication equipment repair; communication equipment sales; communication equipment manufacturing; computer and communication equipment leasing; information technology equipment sales; computer software and hardware and auxiliary equipment wholesale; computer software and hardware and auxiliary equipment retail; information consulting services (excluding licensing information consulting services) ; socio-economic consulting services; advertising design, agency; advertising production; advertising publishing (excluding channels such as radio, television, newspaper publishing units); technical services, technology development, technology consulting, technology exchange, technology transfer, technology promotion; software development; sales of chemical product (excluding licensed chemical products); business agent services; general goods warehousing services (excluding hazardous chemicals and other items that require license approval)	2,550.00	2,463.91	51.00
Yiwu China Commodities City Property Development Co., Ltd.	Real estate development, sales, leasing (used together with valid qualification certificates), real estate brokerage services, interior decoration; landscaping	271,854.77	275,693.84	49.00
Pujiang Lvgu Property Co., Ltd.	Real estate development, sales, leasing and property management	37,365.79	45,928.14	49.00
Yiwu Shanyue Equity Investment Partnership (limited partnership)	Equity investment; equity investment fund management, investment consulting, and operation and management of state-owned assets	2,000.00	1,689.66	39.60
Jebel Ali Free Zone Trader Market Development and Operation FZCO	Lease and management of proprietary properties; and lease and management of the properties owned by others	7,350.28	6,415.00	30.00
Suzhou Xiangzhong Venture Capital Partnership (Limited Partnership)	Venture capital (limited to investment in unlisted enterprises); Equity investment	4,000.00	4,042.17	10.259

1. Major equity investments

√Applicable □Not Applicable

Target	Main business	Actual investment amount during the reporting period (RMB10,000)	Percentage in total equity in the invested project By the end of the reporting period (%)	Remarks
Yiwu China Commodities City Property Development Co., Ltd.	Real estate development, sales, leasing (used together with valid qualification certificates), real estate brokerage services, interior decoration; landscaping	122,500.00	49.00	The subscribed capital was RMB 2.45 billion, and as of the end of the reporting period, the actual capital contributed was RMB 2.45 billion
Yiwu Hongyi Equity Investment Fund Partnership (limited partnership)	Investment management, equity investment, asset management and investment consulting (without approval of the industry regulatory authorities such as the finance regulatory authority, the Company shall not be engaged in the absorption of deposits, financial guarantee, agency wealth management, fundraising (financing) from the public and other financial businesses)	15,000.00	49.98	The subscribed capital was RMB 10 billion, and as of the end of the reporting period, the actual capital contributed was RMB 840 million
Yiwu Huishang Redbud Phase II Investment Partnership (limited partnership)	Investment management, asset management (excluding the assets subject to special state regulation such as state-owned assets) (the above business scope excludes financial businesses such as securities and futures; and without approval of the industry regulatory authorities such as the finance regulatory authority, the Company shall not be engaged in the absorption of deposits, financial guarantee, agency wealth management, fundraising (financing) from the public and other financial businesses)	5,000.00	9.43	The subscribed capital was RMB 100 million, and as of the end of the reporting period, the actual capital contributed was RMB 100 million
Jebel Ali Free Zone Trader Market Development and Operation FZCO	Lease and management of proprietary properties; and lease and management of the properties owned by others	4,479.18	30	The subscribed capital was AED 50.40 million, and as of the end of the reporting period, the actual capital contributed was AED 40.50 million
Suzhou Xiangzhong Venture Capital Partnership (Limited Partnership)	Venture capital (limited to investment in unlisted enterprises); Equity investment	4,000.00	8.00	The subscribed capital was RMB 200 million, and as of the end of the reporting period, the actual capital contributed was RMB 40 million
Yiwu Digital Port Technology Co., Ltd.	Communication equipment repair; communication equipment sales; communication equipment manufacturing; computer and communication equipment leasing; information technology equipment sales; computer software and hardware and auxiliary equipment wholesale; computer software and hardware and auxiliary equipment retail; information consulting services (excluding licensing information consulting services); socio-economic consulting services; advertising design, agency; advertising production; advertising publishing (excluding channels such as radio, television, newspaper publishing units); technical services, technology development, technology consulting, technology exchange, technology transfer, technology promotion; software development; sales of chemical product (excluding licensed chemical products); business agent services; general goods warehousing services (excluding hazardous chemicals and other items that require license approval)	1,785.00	51.00	The subscribed capital was RMB 25.50 million, and as of the end of the reporting period, the actual capital contributed was RMB 25.50 million

2. Major non-equity investments

√Applicable □Not Applicable

Unit: RMB10,000

Item	Project amount	Progress	Investment amount in current period	Accumulative invested amount
West Yiwu International Means of Production Market Auxiliary Project	133,916.00	The underground space and office building have been delivered, the hotel decoration has been completed, and the acceptance of fire fighting equipment has not been completed	4,625.49	100,733.97
Haicheng Yiwu China Commodities City Commerce Phase I Project—Hotel Project	180,000.00	The main work is under construction	-	3,229.05
Phase I Project of Yiwu Integrated Free Trade Zone	624,250.00	Construction of BD warehouse and customs separation net has been completed, installment of refrigeration houses of D3 and D6 was under construction, 83% of the underground space of south zone project of the import market has been completed, and the contractor for the north zone has started construction	90,342.12	140,921.35
East Parking Building Project of Zone 2 of Yiwu International Trade City	60,706.00	The main work has been basically completed, 60% of the outdoor ancillary pipelines on the south side and one the north side have been completed, and 90% of the decoration of the first and second floors has been completed.	26,875.31	35,548.60
Yiwu Digital Trade Industrial Park	39,579.00	The main work for basement has been completed, and 50% of the main work for first and second floors has been completed	6,007.08	6,007.08

3. Financial assets measured with fair value

√Applicable □Not Applicable

Unit: RMB10,000

Name	Initial investment cost	Opening book value	Closing book value	Gains or losses during the reporting period	Accounting item	Source of funds
Jiangsu Times Knitting Technology Co., Ltd.	0.15	-	0.15	-	Held-for-trading financial assets	Self-owned funds
Wealth management products	-	-	2,500.00	-	Held-for-trading financial assets	Self-owned funds
Oriental International Entrepreneurship Co., Ltd.	5,000.00	5,170.61	5,037.36	-75.34	Held-for-trading financial assets	Self-owned funds
Shenyin & Wanguo Securities Co., Ltd.	55,362.54	66,225.63	64,218.80	1254.27	Other equity instruments investment	Self-owned funds
Jiaying Zhehua Redbud Investment Partnership (limited partnership)	10,000.00	12,016.76	11,562.84	561.66	Other non-current financial assets	Self-owned funds
Beijing Redbud Huarong Equity Investment Co., Ltd.	10,000.00	17,557.86	13,846.69	1,774.12	Other non-current financial assets	Self-owned funds
Nantong Redbud Huatong Equity Investment Partnership (limited partnership)	20,000.00	25,484.32	25,871.01	386.70	Other non-current financial assets	Self-owned funds
Beijing Wudaokou Education Technology Co., Ltd.	500.00	61.64	59.38	-2.25	Other non-current financial assets	Self-owned funds
Zhejiang Yiwu Tap Water Co., Ltd.	100.00	2,320.60	3,064.89	817.19	Other non-current financial assets	Self-owned funds
Yiwu Water Resources Development Co., Ltd.	200.00	1,510.00	1,860.00	350.00	Other non-current financial assets	Self-owned funds
Suzhou Yiyun Venture Capital Center (limited partnership)	4,000.00	12,351.95	2,957.37	-9,075.93	Other non-current financial assets	Self-owned funds
Beijing Yiyun Clean Technology Venture Capital Co., Ltd.	6,091.82	360.00	288.00	-72.00	Other non-current financial assets	Self-owned funds
Mashang Consumer Finance Co., Ltd.	3,000.00	5,167.50	4,854.75	-312.75	Other non-current financial assets	Self-owned funds

Shenzhen Tiantu Investment Management Co., Ltd.	11,802.00	4,812.23	4,788.21	-24.02	Other non-current financial assets	Self-owned funds
Yiwu Shanfeng Investment Partnership (limited partnership)	2,600.00	2,600.00	2,388.19	-211.81	Other non-current financial assets	Self-owned funds
Cheng Jian Bao (Beijing) Consulting Services Co., Ltd.	150.00	150.00	150.00	-	Other non-current financial assets	Self-owned funds
Yiwu Shanyue Equity Investment Partnership (limited partnership)	2,000.00	2,000.00	1,689.66	-310.34	Other non-current financial assets	Self-owned funds
Yiwu Smart Transport Co., Ltd.	120.00	120.00	120.00	-	Other non-current financial assets	Self-owned funds
Fujian Zongteng Network Co., Ltd.	3,000.00	4,128.53	11,151.71	7,023.18	Other non-current financial assets	Self-owned funds
Yiwu Shangfu Chuangzhi Investment Center (limited partnership)	61,751.14	61,751.14	63,687.04	1,935.90	Other non-current financial assets	Self-owned funds
Suzhou Xiangzhong Venture Capital Partnership (Limited Partnership)	4,000.00	-	4,042.17	42.17	Other non-current financial assets	Self-owned funds
Quanzhou Huayun Tiancheng E-commerce Co., Ltd.	100.00	-	100.00	-	Other non-current financial assets	Self-owned funds

4. Specific progress of major asset restructurings during the report period

Applicable Not Applicable

(vi) Major sales of assets and equity

Applicable Not Applicable

(vii) Analysis of major subsidiaries and associates

Applicable Not Applicable

Unit: RMB10,000

company name	Business	Registered capital	Total assets	Net assets	Net profits
Yiwu Shangbo Property Co., Ltd.	Real estate development and sale	30,000.00	37,435.89	34,399.30	-463.59
Yiwu Commodities City Gonglian Property Co., Ltd.	Real estate development and sale	20,000.00	16,438.80	15,869.41	31.56
Yiwu China Commodities City Information Technology Co., Ltd.	R&D of computer and multimedia software	5,000.00	9,091.41	5,280.63	297.86
Zhejiang Yiwugou E-commerce Co., Ltd.	Computer software, multimedia technologies, computer network and application, and wholesale & retail	10,000.00	12,799.94	9,146.40	659.45
Yiwu China Commodities City Payment Network Technology Co., Ltd.	R&D of computer and multimedia software	15,000.00	12,150.37	12,079.28	-207.35
Yiwu China Commodities City Logistics and Warehousing Co., Ltd.	Ordinary cargo transport and goods warehousing	10,000.00	5,757.70	4,402.28	-450.52
Yiwu China Commodities City Supply Chain Management Co., Ltd.	Supply chain management service	10,000.00	20,518.22	5,920.57	-1,600.48
Yiwu China Commodities City Import and Export Co., Ltd.	Domestic trade and international trade	10,000.00	101,833.20	2,394.38	-2,708.45

Yiwu China Commodities City Financial Holdings Co., Ltd.	Enterprise free capital investment, asset management, investment consulting services, investment management services	400,000.00	261,215.67	248,251.50	14,068.48
Yiwu China Commodities City Tourism Development Co., Ltd.	Development of tourism resources and tourism projects; domestic tourism business, inbound tourism business; tourism information consulting; and wholesale of fruits, vegetables, aquatic products and primary edible agricultural products	10,000.00	13,975.64	8,673.59	-338.25
Yiwu China Commodities City Overseas Investment and Development Co., Ltd.	Overseas industry investment, and construction and operation of overseas shopping malls	10,000.00	25,073.63	8,461.32	-659.79
Yiwu Shanglv Investment Development Co., Ltd.	Industry investment, investment management, property service, operation and management of parking garages, business marketing planning, operation and management consulting, and operation and management of shopping malls	80,000.00	142,761.41	81,538.15	3,543.88
Yiwu China Commodities City Property Development Co., Ltd.	Real estate development and sale	500,000.00	1,535,632.15	570,679.62	14,621.40
Pujiang Lvgu Property Co., Ltd.	Real estate development and sale	70,000.00	123,263.12	91,806.52	16,246.73
Zhejiang Huajie Investment and Development Co., Ltd.	Industry investment, investment management, investment consulting, business information consulting, and asset management services	50,000.00	8,315.07	8,217.15	-337.66
Yiwu China Commodities City Big Data Co., Ltd.	Internet data services; professional design services; intelligent control system integration; computer information technology development, technical consulting, technical services, technology transfer, etc.	10,000.00	27,354.40	8,610.84	2,747.00
Haicheng Yiwu China Commodities City Investment Development Co., Ltd.	Industry investment, investment management, property service, market development and operation, market auxiliary service, real estate development, sale and lease, design, production and agency of domestic advertising, and operation and management of parking garages	60,000.00	224,577.91	-85,986.09	-14,685.04
Yiwu Comprehensive Bonded Zone Operation and Management Co., Ltd.	Property management; low-temperature storage; general goods warehousing services (excluding hazardous chemicals and other items that require license approval); information consulting services; warehousing equipment rental services, etc.	10,000.00	4,250.84	545.15	-1,097.12
BETTER SILK ROAD RWANDA Ltd	Container handling; land transport-related services; and land transport supporting activities-related business	RF27,000	85.35	-118.98	-88.06

Hangzhou Binjiang Shangbo Property Development Co., Ltd.	Real estate development and sale	5,000.00	11,071.23	7,807.93	3,566.03
Yiwu Rongshang Property Co., Ltd.	Real estate development and sale	10,204.08	572,489.20	44,364.80	39,544.26
Yiwu Huishang Micro-finance Co., Ltd.	Micro loans	54,000.00	36,356.87	36,010.74	1,002.29
Zhejiang Chouzhou Financial Lease Co., Ltd.	Financial lease service, and transfer of financial lease assets	100,000.00	1,434,774.71	163,854.17	20,984.32
Yiwu Huishang Redbud Equity Investment Co., Ltd.	Equity investment and related consulting services	49,000.00	77,785.77	68,135.31	10,113.63
Yiwu Huishang Redbud Phase II Investment Partnership (limited partnership)	Investment management and asset management	106,100.00	100,342.94	100,342.94	536.46
Yiwu Hongyi Equity Investment Fund Partnership (limited partnership)	Investment management, equity investment, asset management and investment consulting	200,100.00	177,701.00	177,663.28	9,749.03
Jebel Ali Free Zone Trader Market Development and Operation FZCO	Lease and management of proprietary properties; and lease and management of the properties owned by others	AED 16,800.00	104,546.72	20,901.34	-1,384.10
Yiwu Guoshen Shangbo Property Co., Ltd.	Real estate development, sale and lease; real estate brokerage service, interior decoration service; and landscaping service	4,081.63	1,336,782.47	4,931.94	7,409.91
Yiwu Chuangcheng Property Co., Ltd.	Real estate development and sale; lease of proprietary houses; real estate brokerage service; interior decoration service; and landscaping service	8,333.33	391,010.26	36,693.05	31,495.95

(viii) Structured entities controlled by the Company

Applicable Not Applicable

VI. Discussion and Analysis of the Company's Future Development**(i) Industry Pattern and Trends**

Applicable Not Applicable

1. National policies for the industry

(1) National policies

In December 2021, the General Office of the State Council issued the "Opinions on Doing a Good Job in Cross-Cycle Adjustment and Further Stabilizing Foreign Trade". From strengthening fiscal, taxation and financial policy support, further encouraging the development of new foreign trade formats, alleviating the pressure on foreign trade supply chains such as international logistics, and supporting key industries and key enterprises, 15 policy measures have been proposed in other aspects to ensure orders, stabilize expectations, and promote the steady development of foreign trade. In the same month, the General Office of the State Council issued the "Opinions on Promoting the Integrated Development of Domestic and Foreign Trade", making arrangements for promoting the integration of domestic and foreign trade, forming a strong domestic market,

smoothing the domestic and international dual circulation, and promoting the realization of higher-level opening up and higher-quality development.

(2) Local policies

The 2022 Yiwu Municipal Government Work Report puts "market upgrading action" at the top of the ten major actions implemented by the city, emphasizing that "the market is the root and soul of Yiwu, and the prosperity of the market would make Yiwu prosperous. It should always be insisted that the market should be put at the center, the city should be built around the market, and industries should be nurtured around the market, so as to promote the continued prosperity of the market."

In January 2022, Yiwu held the 15th session of Party Congress. The report of the session pointed out, "The overall requirement for the next five years is to focus on the overall goal of building a high-quality and high-level world capital of small commodities, and to compete on the three new tracks of 'digitalization, dual circulation, and common wealth'".

2. New trends of international trade

(1) New trends of international trade

The trend of "multiple varieties, multiple batches, and small batch size" in international trade has gradually formed. This is due to the fluctuation of upstream raw material prices and the disorder of the global supply chain. On the other hand, changes in form of downstream retail and distribution, development and penetration of e-commerce and changes in consumer habits have also contributed to the further fragmentation of international trade.

Fragmented international trade order flow requires matching fragmented contract performance capabilities, which brings opportunities and challenges to global supply chains and corporate fulfillment capabilities. At the same time, the rise of emerging traffic-driven business flow models represented by independent websites, KOLs and live e-commerce has further increased the demand for fragmented contract performance capabilities. The core of the long-term growth of emerging traffic forms still depends on the contract performance side to reconstruct new consumption by systematic operation, supply chain optimization, and reverse empowerment.

(2) Yiwu in the context of new trends

Yiwu is a key node of China's new foreign trade form, an international trade highland, a demonstration area for digital dual circulation and common prosperity, and has core resources for cross-border trade development. In the context of the new trends of international trade fragmentation and the entry into force of RCEP, the Company promoted the upgrading of the Yiwu market from the "collection of merchants" model to the mode of "collection of merchants and goods", and led Yiwu market traders to seize the historic opportunity of the RCEP agreement taking effect, and enhance the influence of Yiwu as a "world commodity land". The entry into force of the RCEP agreement is beneficial to Yiwu, which takes the advantages of a large number of foreign buyers, a complete range of market commodities, and a smooth internal and external logistics hub, to better meet the small batch and multi-frequency trade needs of foreign buyers, and uses export to drive transshipment by "consolidation and re-export of market purchased goods + bonded imported goods", to further reduce the cost of enterprise logistics and customs declaration, promotes the integrated

development of "import, export and transshipment" of foreign trade, and help Yiwu to build a domestic and international dual-circulation strategic node and a world commodity distribution center.

(ii) Development strategies of the Company

Applicable Not Applicable

At the Fifth China-Africa Entrepreneurs Conference, General Secretary Xi Jinping called Yiwu the world "Capital of Small Commodities", pointing out the direction for the development of the market and the Company. With the historical mission of building the world "Capital of Small Commodities" with high quality and high level, the Company has put forward the development strategy of "taking the market as the main business, taking the digit as the link, and taking platform as the support to build a comprehensive service provider for international trade", to build a real economy ecology with the market as the core and a digital economy ecology with the chinagooods platform as the core. The Company connects the Company's market, logistics, trade, finance and other sectors with digital links to form a full-scene, full-link, and diversified service system, to reduce the cost of small commodity trade characterized by "multiple varieties, multiple batches, and small batch size". and improve convenience level of trade. The Company drives the market trade system of "online-offline integration, import-export linkage, cross-border communication, and co-prosperity of domestic trade and foreign trade" to develop into depth, to serve dual circulation of domestic circulation and international circulation in the historical context of common prosperity.

(iii) Business plan

Applicable Not Applicable

2022 is the 40th anniversary of the construction of Yiwu market and also the 44th anniversary of China's reform and opening-up. From "exchanging chicken feather for sugar" by wandering around streets to world "Capital of Small Commodities", in lack of own resources, Yiwu has connected itself to a big world with small commodities, driving surrounding industries' prosperous development, leading entrepreneurs to common prosperity, and leaving a distinct mark on the milestone of China's reform and opening-up. Yiwu has grown up with the support of China's reform and opening-up and in the mode of "globalization". In continuous reform and iteration, "taste of truth" and Yiwu's development experience, together with Yiwu' unique business gene, have sedimented, fermented and developed.

In 2022, the Company will continue to focus on the strategic goal of building the world "Capital of Small Commodities" with high quality to speed up the market's innovative development and the Company's transformation and upgrading. Facing the opportunities and challenges brought by the fragmentation trend of international trade to the contract performance side, as well as the opportunity of the entry into force of RCEP, the Company will combine its own resources and the characteristics of the market procurement trade mode to focus on opening up the whole link of the supply chain for export, invest in the construction of RCEP-related links, grab the increment, promote the market's development for domestic and foreign trades in parallel, and enhance the Company's core competitiveness and profitability.

Business plan goals of 2022: based on 2019 performance, operating revenue growth rate is not less than 120%; earnings per share is not less than RMB 0.22; the above two indicators are not less than 75% of those of the Company's benchmarking enterprise or average of the industry; main

business income accounts for not less than 90% of operating income; GMV of chinagoods platform, which is the innovative business of the Company, is not less than RMB 24 billion.

1. Market operation

The Company will start the construction of the market in Zone VI of the International Trade City to create a new generation of market leading the global trade fashion. The Company will iteratively upgrade the International Trade City in terms of market form, business space, hardware facilities, and service value adding, and build the International Trade City into a new trading model leading area, a new industry cultivation window, a new trade service gathering area, and a new business social habitat. , making it a new driver for Yiwu market development and a new benchmark for market form.

The Company will speed up the construction of the Zone II east market, focus on new digital infrastructure such as AI assistants, smart transportation, green and low-carbon, create a new digital market scenario integrating digital trade, service and management, and provides full life cycle services for trade entities. The Zone II east market is scheduled to start trial operation in October 2022.

2. Chinagoods platform

In 2022, the Company will focus on "market procurement 2.0" and take digital reform as an incision to realize data sharing and system connection between the chinagoods platform and the networked information platform. The Company will design various digital service products, and realize the integration of the four orders of "purchase order, delivery order, customs declaration and foreign exchange settlement order" with "one order to the end", enhance the comprehensive operation ability and service level of the platform, and strive to build a comprehensive application for trade with business flow as the core, logistics as the basis, information flow as the guider, and capital flow as the support, to empower free trade scenarios for small commodities. By the end of 2022, the Company will strive to build a full-link, full-scenario and digitalized market trade ecosystem on the chinagoods platform.

The construction of basic functions of chinagoods platform will be enhanced. The rating of market traders will be improved, 2000 benchmarking traders will be cultured and 10000 core traders will be incubated. A customer service system will be built, along with an integrity guarantee system, and online and offline resources will both be used to promote the matching of procurement demands. The Company will create an all-media matrix, establish a value-added service system such as advertising, publicity and promotion on the platform for shops, and improve the market-oriented operation capability of the platform.

The construction of digital trade platform will be sped up. The Company will open up data channels and improve online service functions in various links such as R&D and production, display and transaction, warehousing and logistics, customs inspection and foreign exchange tax, payment and settlement, and supply chain finance. As of the end of the reporting period, the Company held the licenses for factoring, credit investigation, small loans, and foreign currency exchange, and the delivery procedures for the payment license was also in progress, which would form a closed loop of payment flow and information flow. Relying on the real trade background and the Internet

technology of the chinagoods platform, the Company will build a circular and ecological multi-win growth pole centered on factoring business, provide comprehensive Internet supply chain financial solutions for micro, small and medium-sized enterprises in sub-sectors, and promote the intelligent digitization of production relations and production factors in all aspects of international trade.

3. Supply chain system

The goods collection mode of "goods collection warehouse in industrial base - main logistic line - Yiwu warehouse" will be built. The Company plans to build an international digital logistics market and the construction of phase I project has started.

The Company will promote the construction of hub facilities for foreign trade of small commodities. The Company will continue to invest in offshore exhibition and trade platforms such as overseas warehouse and overseas branch market, innovate operation mode and drive the growth of foreign trade. The Company will speed up the construction of overseas warehouses owned by Yiwu and warehouses in regions such as Guangxi and Yunnan adjoining RCEP member states, strive to build 40 new overseas warehouses, and accumulate over 160 in 2022. In 2022, the Company will strive to cover 15 RCEP member states with overseas warehouse digital trade hub, improve the RCEP regional trade hub network, and promote high-quality development of two-way trade.

4. Import-export trade

The Company will build a trade ecology of "All good commodities". The Company will upgrade the business models of ICMall and Yiwu Selection, integrate the product advantages of "Imported good commodities+ Trendy domestic commodities", invest in offline retail stores, and launch the "All good commodities" chain management platform to create an online-offline O2O trade ecology.

The Company will integrate into the RCEP trade ecology, integrate the full-link resources of import trade, gather imported brands, commodities, and import trade ecological service enterprises, and provide a free exhibition and trade platform for global commodities. In the future, Yiwu China Imported Commodities City will set up more than 100 national pavilions and special product exhibition halls for imported commodities including RCEP member states, and deploy more than 10,000 domestic distribution outlets for imported commodities to share and expand development opportunities for import.

The Company will actively explore offshore trade relying on market. Through the layout of overseas warehouses, overseas parks and other overseas station nodes, the Company will actively explore the development of offshore trade, to organize trade service providers in Yiwu, supply or process commodities in RCEP member states, and directly sell them to other foreign customers in regions such as Europe and the United States, creating a "world commodity land".

5. Organization and mechanism support system

The Company will promote the improvement of enterprise management effectiveness and efficiency, and effectively promote the modernization of the governance system and governance capacity. The Company will promote the reform of mixed ownership, focus on key areas and key links of market transformation, and speed up the introduction of leading enterprises in the industry chain in logistics, warehousing, supply chain finance, cross-border settlement and other aspects as

strategic investors to stimulate business innovation vitality and improve the ability and level of empowering the market. The Company will improve the authorization, assessment, and incentive mechanism, adhere to the transformation from operational control to strategic control, revise and improve the authorization list, implement classified and hierarchical authorizations for branches and subsidiaries, and give subordinate companies more operational autonomy. The Company will strengthen the assessment of operating efficiency, deeply implement the classification assessment for operating company and management company, increase the weight of profit and revenue indicators of operating company, and explore customized assessment of innovative businesses. The Company will strengthen the application of assessment results, prudently implement the excess profit sharing plan, and continue to implement medium- and long-term incentives such as share option (or share) incentives and co-investment to further enhance the driving force for business innovation and development. The Company will strengthen the construction of human resources, form a benign cadre echelon, increase the market-oriented recruitment of mid-to-high-end professional talents for innovative businesses, innovate employee training and career development mechanisms, strengthen the construction of corporate culture, and provide strong support in talents for market innovation and development and enterprise transformation and improvement.

(iv) Potential risks

√Applicable □Not Applicable

1. Market operation risk

Large-sized shopping malls, hypermarkets, warehouse stores and e-commerce platforms are strong competitors in the commodities trading market. Large-sized shopping malls offer products of reliable quality and well-known brands; hypermarkets or warehouse stores supply diversified products at low prices; e-commerce platforms provide new trading means and facilitate consumers. Purchasers or consumers may also choose to make procurement or consumption via e-commerce platforms for convenience. Therefore, the Company may compete with other forms of business. In addition, affected by the rising specialized market, robust development of the industry market and rapid development of the central and western regions, the Company may also face competition from other similar specialized markets.

2. Risk of insufficient reserve of talents

With the acceleration of market transformation and the expansion of the Company's business, and with the expansion of experienced international trade, warehousing and logistics, supply chain, overseas development, information data, industrial investment, and business operations, the Company may face the risk of insufficient reserves of professional talents and compound talents.

3. The risk of increasing external uncertainty

In the context of the normalization of epidemic prevention and control, the development of global market trade is more complicated and severer than before. The global spread of the epidemic and reverse globalization are parallel, and the downward pressure on the world economy has increased. New technologies have accelerated the birth of new opportunities, and new trade models and new business formats have emerged. In the post-epidemic era, uncertainty will become

the greatest certainty for the development of market trade, and the global epidemic will continue for a long time, showing a repeated see-saw state. Epidemic prevention and control, international politics, and global economy are intertwined. Uncertainty, instability, and restructuring of international trade will become the new normal. The Company may face the risk of increased external uncertainty.

(v) Others

Applicable Not Applicable

VII. The Company failed to disclose and explain the reasons in accordance with the standards due to special reasons such as non-applicable standards or state secrets and trade secrets.

Applicable Not Applicable

Section IV. Corporate Governance

I. Description of corporate governance

Applicable Not Applicable

During the report period, in strict accordance with the Company Law, Securities Law, Guidelines for Corporate Governance of Listed Companies and the relevant provisions of the China Securities Regulatory Commission and other laws and regulations, the Company continuously establishes and improves relevant systems, strives to improve the corporate governance structure, standardize operations, and operate in compliance with laws. There is no difference between the corporate governance structure of the Company and the regulatory documents on the governance of listed companies issued by the China Securities Regulatory Commission.

(I) Shareholders and general meetings of shareholders

The Company convenes and holds a general meeting of shareholders in strict accordance with the Rules of Procedure for the General Meeting of Shareholders to ensure that all shareholders of the Company fully exercise their rights, especially those of small and medium shareholders. In peacetime, we earnestly receive visits and calls from shareholders to ensure the shareholders' rights to know, participate and vote on major company issues, so that shareholders can truly enjoy equal rights.

(II) Controlling shareholder and the listed company

The controlling shareholder of the Company exercised the rights of investors through the general meeting of shareholders in accordance with the law, and did not directly or indirectly intervene in the Company's decision-making and business activities beyond the general meeting of shareholders. The Company has achieved the five independences of personnel, assets, finances, institutions and businesses. The Company's board of directors, board of supervisors and internal institutions can operate independently. The controlling shareholder of the Company can strictly abide by the promise made to the Company to avoid horizontal competition. When the Company has connected transactions with its controlling shareholder, it strictly follows the Related Transaction Decision and Implementation System to ensure that the connected transactions are fair and just.

(III) Directors and Board of Directors

The Company selects directors in strict accordance with the procedures stipulated in the Articles of Association; convenes and holds board meetings in strict accordance with the Rules of Procedures for the Board of Directors. All directors of the Company can seriously attend the board of directors and shareholders meetings, actively participate in training, and earnestly perform their duties as directors. Directors can earnestly perform the duties and obligations entrusted by laws, regulations and the Company's Articles of Association, and express independent opinions and suggestions on important company matters, so as to effectively protect the legitimate rights and interests of shareholders. Clarified the annual report review procedures of the Audit Committee of the Board of Directors, and effectively played the role of each special committees.

(IV) Supervisors and Board of Supervisors

During the reporting period, the Company held three meetings of Board of Supervisors, and the convening and holding procedures of each meeting complied with the provisions of the Company Law, the Articles of Association and the Rules of Procedure of the Board of Supervisors. Company supervisors can earnestly perform their duties, supervise major company matters, supervise the legality and compliance of the Company's directors and senior managers in performing their duties, safeguarding the legitimate rights and interests of the Company and shareholders.

(V) Information disclosure and investor relationship management

According to the Information Disclosure Management System, the Company discloses relevant information truthfully, accurately, completely and in a timely manner. Investors can learn about the Company through media promotion, telephone consultation, and company website. In addition to completing the mandatory periodic reports and temporary announcements disclosed by laws and regulations, the Company also actively carry out compliance and voluntary information disclosure, so that investors can have a continuous understanding of the operations that they care about, and truly protect the shareholders' right to know.

Whether there are major differences between the corporate governance and the requirements of the law, administrative laws and regulations, and relevant regulations of the China Securities Regulatory Commission; if there are major differences, the reasons should be explained.

Applicable Not Applicable

II. Specific measures for ensuring the independency of the Company's controlling shareholder and actual controller in company assets, personnel, finance, organization, business and others, and solutions taken after they influenced the independency of the Company, the progress thereof and follow-up work plan

Applicable Not Applicable

Cases in which the Company's controlling shareholder, actual controller and other units controlled by them conduct business as same as or similar to that of the Company, the influence on the Company due to major changes in horizontal competitors or horizontal competition, measures taken, progress thereof and follow-up solution plan

Applicable Not Applicable

III. General meeting of shareholders

Session of meeting	Date	Designated website on which the resolution is published	Date of disclosure of the resolution	Resolution of the meeting
The first provisional shareholders meeting in 2021	April 9, 2021	www.sse.com.cn	April 10, 2021	See the resolution notice for details
The second provisional shareholders meeting in 2021	April 19, 2021	www.sse.com.cn	April 20, 2021	See the resolution notice for details
2020 Annual General Meeting of Shareholders	May 25, 2021	www.sse.com.cn	May 26, 2021	See the resolution notice for details
The third provisional	November 4, 2021	www.sse.com.cn	November 5, 2021	See the resolution

shareholders meeting in 2021				notice for details
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The preferred shareholders whose voting rights had been restituted requested to an extraordinary general meeting of shareholders

Applicable Not Applicable

Statement on shareholders' meetings

Applicable Not Applicable

1. The 2021 First Provisional General Meeting of Shareholders deliberated and adopted the "Proposal on By-election of Independent Directors".

2. The 2021 Second Provisional General Meeting of Shareholders deliberated and adopted the "Proposal on Capital Increase of Participating Companies and Related Transactions".

3. The 2020 Annual General Meeting of Shareholders deliberated and adopted "2020 Board of Directors Work Report", "2020 Board of Supervisors Work Report", "2020 Annual Report and Summary", "2020 Final Accounts Report", "2021 Financial Budget Report", and "2020 Profit Distribution Plan", "Proposal on Renewing the Appointment of Accounting Firm", "Proposal on the Proposed Issuance of Various Debt Financing Instruments in the Coming 12 Months".

4. The 2021 Third Provisional General Meeting of Shareholders reviewed and approved the Proposal on the Redemption of Some Directors' Remuneration in 2020 and the Proposal on the By-election of Supervisors.

IV. Directors, supervisors and senior management**(i) Changes in shareholding and remuneration of current and resigned directors, supervisors and senior executives during the reporting period**

√Applicable □Not Applicable

Unit: 10,000 Shares

Name	Position (Note)	Sex	Age	Start date of tenure	End date of tenure	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Change in shares held during the year	Reasons for change	Total pre-tax remuneration received from the Company during the reporting period (RMB 10,000)	Remuneration received from related parties of the Company
ZHAO Wenge	Board chairman	Male	55	September 27, 2018		4	34	30	Equity incentive	49.20	No
WANG Dong	Vice Chairman and General Manager	Male	50	March 8, 2019		0	30	30	Equity incentive	49.20	No
WANG Chunming	Director	Male	58	August 27, 2019		0	0			0	Yes
LI Chengqun	Director	Male	50	May 12, 2014		0	0			0	Yes
XU Hang	Director, Secretary of the Board	Male	48	December 12, 2017		0	30	30	Equity incentive	41.82	No
GU Zhixu	Director	Male	34	December 10, 2020		0	0			0	No
MA Shuzhong	Independent director	Male	54	August 27, 2019		0	0			7.2	No
HONG Jianqiao	Independent director	Male	56	May 22, 2020		0	0			7.2	No
JIN Yanghua	Independent director	Male	46	May 22, 2020	April 9, 2021	0	0			0	No
LUO Jinming	Independent director	Male	54	April 9, 2021		0	0			4.8	No

JIN Xiaojia	Supervisor	Male	34	December 16, 2016		0	0			0	Yes
WU Menghua	Supervisor	Female	31	March 10, 2022		0	0			0	Yes
WANG Gaiying	Supervisor	Female	42	August 27, 2019	February 22, 2022	0	0			0	Yes
WANG Jinjian	Supervisor	Male	50	October 26, 2020		0	0			0	Yes
FANG Min	Employee supervisor	Male	37	December 8, 2020		0	0			20.97	No
JIN Yongsheng	Employee supervisor	Male	44	December 8, 2020		0	0			17.01	No
JIN Gengzhong	Vice general manager	Male	52	September 18, 2020		0	30	30	Equity incentive	79.86	No
WU Xiubin	Vice general manager	Male	51	July 17, 2020		0	30	30	Equity incentive	41.82	No
ZHANG Qizhen	Vice general manager	Male	54	July 7, 2017		0	30	30	Equity incentive	41.82	No
GONG Chenghao	Vice general manager	Male	42	September 29, 2021		0	20	20	Equity incentive	37.27	No
SHOU Shengdi	Vice general manager	Male	48	November 4, 2021		0	0			0	No
ZHU Yi	Vice general manager	Male	42	November 4, 2021		0	0			0	No
YANG Yang	Vice general manager	Male	39	September 29, 2021		0	20	20	Equity incentive	34.74	No
ZHAO Difang	Financial Manager	Female	49	May 12, 2014		5.01	35.01	30	Equity incentive	41.82	No
WEI Gang	Vice general manager	Male	35	September 19, 2016	September 29, 2021	0	30	30	Equity incentive	31.37	No
ZHOU Long	Vice general manager	Male	46	July 3, 2020	September 29,	0	0			151.88	No

					2021						
Total	/	/	/	/	/	9.01	289.01	280	/	657.98	/
Name	Main working experience										
ZHAO Wenge	He used to be Vice Chairman and General Manager of the Company, and is currently Secretary of the Party Committee and Chairman of the Company.										
WANG Dong	He used to be a member and vice director of the Party Committee of Yiwu SASAO, and vice director (concurrently) of the management committee of the State-owned Assets Operation Center, and is currently the vice secretary of the Company's party committee, vice chairman and general manager.										
WANG Chunming	He used to be Chairman of Yiwu Water Affairs Construction Group Co., Ltd., and is currently Secretary of the Party Committee and Chairman of Yiwu Market Development Group Co., Ltd. and Director of the Company.										
LI Chengqun	He is currently Vice Secretary of the Party Committee, Vice Chairman, General Manager and Director of Yiwu Market Development Group Co., Ltd.										
XU Hang	He used to be general manager of the Company's securities legal affairs department, and representative of securities affairs of the Company's, and is currently a director and the secretary of the board of the Company.										
GU Zhixu	He used to be the project manager of Business Division 4 of Tianjian Accounting Firm, the business manager of Investment Division I of Zhejiang Financial Holding Investment Management Co., Ltd., the senior financial manager of the Planning and Finance Department of Zhejiang Financial Holding Co., Ltd., and the senior financial manager of the Planning and Finance Department of Zhejiang Financial Development Co., Ltd., and is currently assistant to the director of the Comprehensive Office of Zhejiang Finance Development Co., Ltd. and director of the Company.										
MA Shuzhong	He's now a professor of Zhejiang University, and an independent director of the Company and Silan Microelectronics Co., Ltd.										
HONG Jianqiao	He is currently the dean of the Accounting Department of the School of Management of Fudan University, and concurrently serves as an independent director of the Company, Laiyifen, Jinjiang Corporation, China Tianying and Boqian New Materials.										
LUO Jinming	He is currently the Secretary of the Party Committee of the Accounting School of Zhejiang Gongshang University, and concurrently serves as an independent director of the Company, Hangxiao Steel Structure, and Riyue Co., Ltd.										
JIN Xiaojia	He used to be the accounting director of the Finance Department of Yiwu Communications Investment and Construction Group, and is currently a supervisor and chairman of the Board of Supervisors of the Company.										
WU Menghua	She used to be a supervisor of Yiwu Market Development Group Co., Ltd., concurrently a supervisor of Yiwu State-owned Capital Operation Co., Ltd. and a supervisor of Yiwu Industrial Investment Development Group Co., Ltd., and currently serves as a supervisor of the Company.										
WANG Gaiying	She used to be the project manager of the audit department of Zhejiang New Century Certified Public Accountants, and is currently a full-time supervisor of the Supervisor Service Center of the State-owned Assets Supervision and Administration Office of Yiwu City.										
WANG	He used to be the vice general manager of Yiwu China Commodity City Property Development Co., Ltd., and is currently the general manager										

Jinjian	and company supervisor of Yiwu China Commodity City Property Development Co., Ltd.
FANG Min	He used to be a business commissioner of the Company's human resources department (party construction office), and currently serves as vice general manager of the Company's human resources department (party construction office) and employee supervisor of the Company.
JIN Yongsheng	He used to be the head of internal control of the Company's supervision and audit department, the manager of the financial department of the Company's Yawu Expo Hotel, and the manager of the financial department of the Company's Ocean Hotel. He is currently the head of internal audit of the Company's legal audit department and an employee supervisor of the Company.
JIN Gengzhong	He used to be the Vice General Manager of the Party Leadership Group of Zhejiang Huajie Investment Development Co., Ltd., and the Vice General Manager of Europe Huajie Development Co., Ltd. He is currently a member of the Company party committee and the vice general manager of the Company.
WU Xiubin	He used to be a member of the party committee and vice general manager of Yiwu Construction Investment Group Co., Ltd., and is currently a member of the party committee and vice general manager of the Company.
ZHANG Qizhen	He used to be the general manager and marketing director of the Company's marketing department, and is currently a member of the party committee and vice general manager of the Company.
GONG Chenghao	He used to be the general manager of Yiwu China Commodity City Information Technology Co., Ltd., and the general manager of Yiwu China Commodity City Supply Chain Management Co., Ltd., and is currently a member of the party committee and vice general manager of the Company.
SHOU Shengdi	He used to be a member of the Party Committee of Zhejiang Yiwu Municipal Bureau of Foreign Trade and Economic Cooperation, a member of the Party Committee and Vice Director of Zhejiang Yiwu City Commerce Bureau, and is currently a member of the party committee and vice general manager of the Company.
ZHU Yi	He used to be the Vice Director of the Office of the Comprehensive Deepening Reform Committee of the Yiwu Municipal Committee of the Communist Party of China, and is currently a member of the party committee and vice general manager of the Company.
YANG Yang	He used to be the general manager of Zhejiang Yiwu China Commodity City Imported Commodity Market Branch, the general manager of Zhejiang Yiwu China Commodity City Import and Export Co., Ltd., and is currently a vice general manager of the Company.
ZHAO Difang	He used to be the general manager of the Company's financial department and is currently the head in finance of the Company.
WEI Gang	He used to be a vice general manager of the Company, and resigned from vice general manager of the Company on September 29, 2021, and have not held other positions in the Company since then.
ZHOU Long	He used to be a vice general manager of the Company, and resigned from vice general manager of the Company on September 29, 2021, and have not held other positions in the Company since then.

Statement on other matters

√Applicable Not Applicable

1. The remuneration received by some of the Company's directors and executives is the pre-paid remuneration for 2021, and the actual remuneration will be determined after the completion of relevant assessments and the implementation of relevant procedures.
2. Fang Min, and Jin Yongsheng are the employee representative supervisors, and the remuneration listed in the table is the total remuneration received after the annual appraisal based on the position in the Company.

(ii) Appointments of current and resigned directors, supervisors and senior executives during the reporting period**1. Position in shareholder units**

√Applicable □Not Applicable

Name of incumbent	Name of shareholder unit	Positions held in shareholder units	Start date of tenure	Term end date
ZHAO Wenge	CCCH	Board Chairman, general manager	2019	
WANG Dong	CCCH	Director	2021	
WANG Chunming	MDG	Board Chairman	2019	
LI Chengqun	MDG	Vice Chairman and General Manager	2014	
GU Zhixu	Zhejiang Provincial Finance Development Ltd.	Comprehensive Office	2021	
JIN Xiaojia	Yiwu State-owned Assets and State-owned Enterprise Development Service Center	Assigned full-time supervisor		
WANG Gaiying	Yiwu State-owned Assets and State-owned Enterprise Development Service Center	Assigned full-time supervisor		
WU Menghua	Yiwu State-owned Assets and State-owned Enterprise Development Service Center	Assigned full-time supervisor		
Description of the position of the shareholder unit			None	

2. Position in other units

√Applicable □Not Applicable

Name of incumbent	Names of other units	Positions held in other units	Start date of tenure	Term end date
XU Hang	Yiwu China Commodities City Investment Management Co., Ltd.	Director	March 2017	
MA Shuzhong	Hangzhou Silan Microelectronics Co., Ltd.	Independent director	July 2016	
HONG Jianqiao	Shanghai Laiyifen Co., Ltd.	Independent director		
HONG Jianqiao	Shanghai Jinjiang International Industrial Investment Co., Ltd.	Independent director		
HONG Jianqiao	China Tianying Co., Ltd.	Independent director		
HONG Jianqiao	Jiangsu Boqian New Material Co., Ltd.	Independent director		
WANG Jinjian	Yiwu China Commodities City Property Development Co., Ltd.	Chairman, general manager	January 2019	
Description of employment in other units			None	

(iii) Remuneration of directors, supervisors and senior management personnel

√Applicable □Not Applicable

Decision-making procedures for the remuneration of directors, supervisors and	The remuneration of the Company's remunerated directors, supervisors and senior executives shall be reviewed by the remuneration and appraisal committee of the Company's board
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senior executives	of directors and submitted to the board of directors for review and approval. The remuneration of directors and supervisors shall also be submitted to the general meeting of shareholders for review and approval.
The basis for determining the remuneration of directors, supervisors and senior managers	The remuneration of independent directors is determined in accordance with the Independent Director Allowance System. The Independent Director Allowance System is deliberated and formulated by the board of directors and approved by the general meeting shareholders. The remuneration of the Company's directors, supervisors and senior management shall be reviewed and determined by the Board of Directors' Compensation and Appraisal Committee in conjunction with the assessment opinions and results of the state-owned regulatory authority, and submitted to the board of directors for deliberation.
Actual payment of remuneration for directors, supervisors and senior management	The relevant assessment for 2021 has not yet been completed, and the actual payment will be determined after the assessment is completed and the relevant procedures are performed.
The total remuneration actually received by all directors, supervisors and senior management at the end of the reporting period	The actual payment of remuneration will be determined after completing the assessment and performing the relevant procedures. The salary currently paid is the pre-paid salary for 2021, totaling RMB 6,579,800 before tax.

(iv) Changes in directors, supervisors and senior officers of the Company

√Applicable □Not Applicable

Name	Title	Change	Reasons for change
LUO Jinming	Independent director	Election	Election
JIN Yanghua	Independent director	Leaving office	Due to job adjustments, he resigned from independent director.
GONG Chenghao	Vice general manager	Hiring	Hired by the Board of Directors
SHOU Shengdi	Vice general manager	Hiring	Hired by the Board of Directors
ZHU Yi	Vice general manager	Hiring	Hired by the Board of Directors
YANG Yang	Vice general manager	Hiring	Hired by the Board of Directors
WEI Gang	Vice general manager	Dismissed	Due to job adjustments, he resigned from vice general manager.
ZHOU Long	Vice general manager	Dismissed	Due to job adjustments, he resigned from vice general manager.

(v) Explanation of punishments by securities regulatory agencies in the past three years

√Applicable □Not Applicable

On January 29, 2019, the Company received the China Securities Regulatory Commission Zhejiang Regulatory Bureau's Decision on Measures to Issue Warning Letters to Zhejiang China Commodity City Group Co., Ltd. and related personnel (Administrative Regulatory Measures

Decision [2019] No. 8). For the specific content of the relevant decision, please refer to the Announcement of the YIWU CCC on Receiving the Warning Letter from Zhejiang Securities Regulatory Bureau issued by the Company on January 30, 2019 (Announcement No.: L2019-007).

(vi) Others

Applicable Not Applicable

V. Description of the meetings of the Board of Directors held during the reporting period

Session of meeting	Date	Resolution of the meeting
28th meeting of 8th Board of Directors	January 20, 2021	9 directors should be present, 9 directors actually presented, and all the resolutions of the meeting were passed
29th meeting of 8th Board of Directors	March 24, 2021	See the Company's announcement on March 25, 2021 for details
30th meeting of 8th Board of Directors	March 30, 2021	9 directors should be present, 9 directors actually presented, and all the resolutions of the meeting were passed
31st meeting of 8th Board of Directors	April 1, 2021	See the Company's announcement on April 2, 2021 for details
32nd meeting of 8th Board of Directors	April 28, 2021	See the Company's announcement on April 30, 2021 for details
33rd meeting of 8th Board of Directors	May 20, 2021	9 directors should be present, 9 directors actually presented, and all the resolutions of the meeting were passed
34th meeting of 8th Board of Directors	June 15, 2021	9 directors should be present, 9 directors actually presented, and all the resolutions of the meeting were passed
35th meeting of 8th Board of Directors	August 9, 2021	See the Company's announcement on August 11, 2021 for details
36th meeting of 8th Board of Directors	September 29, 2021	See the Company's notice on September 30, 2021 for details
37th meeting of 8th Board of Directors	October 18, 2021	See the Company's announcement on October 19, 2021 for details
38th meeting of 8th Board of Directors	October 27, 2021	9 directors should be present, 9 directors actually presented, and all the resolutions of the meeting were passed
39th meeting of 8th Board of Directors	Oct 29, 2021	9 directors should be present, 9 directors actually presented, and all the resolutions of the meeting were passed
40th meeting of 8th Board of Directors	November 4, 2021	9 directors should be present, 9 directors actually presented, and all the resolutions of the meeting were passed
41st meeting of 8th Board of Directors	November 19, 2021	See the Company's announcement on November 20, 2021 for details
42nd meeting of 8th Board of Directors	November 29, 2021	9 directors should be present, 9 directors actually presented, and all the resolutions of the meeting were passed
43rd meeting of 8th Board of Directors	November 30, 2021	9 directors should be present, 9 directors actually presented, and all the resolutions of the meeting were passed

VI. Duties performed by directors

(i) Board of Directors and Shareholders Meetings attended by Directors

Director Name	Independent director or not	Participation in Board of Directors						Participation in General meeting of shareholders
		Number of board meetings this	Number of attendances in	Number of participations by communica	Number of delegates	Absence	Failure to attend the meeting in person	The number of shareholders

		year	person	tion	attende d	que ncy	twice in a row or not	attending the general meeting
ZHAO Wenge	No	16	16	14	0	0	No	0
WANG Dong	No	16	16	14	0	0	No	4
WANG Chunming	No	16	16	14	0	0	No	0
LI Chengqun	No	16	16	14	0	0	No	1
XU Hang	No	16	16	14	0	0	No	4
GU Zhixu	No	16	15	14	1	0	No	0
MA Shuzhong	Yes	16	16	14	0	0	No	3
HONG Jianqiao	Yes	16	15	14	1	0	No	4
JIN Yanghua	Yes	4	4	4	0	0	No	0
LUO Jinming	Yes	12	12	10	0	0	No	3

Explanation of not attending the board meeting in person for two consecutive times

Applicable Not Applicable

Number of meetings of the Board of Directors held during the year	16
Including: the number of on-site meetings	2
Number of meetings held by communication	14
Number of meetings held on site combined with communication methods	0

(ii) Objections raised by directors on company-related matters

Applicable Not Applicable

(iii) Others

Applicable Not Applicable

VII. Committees under the Board of Directors

Applicable Not Applicable

(1). Members of Committees under the Board of Directors

Category of committees	Member name
Audit committee	HONG Jianqiao, MA Shuzhong, XU Hang
Nomination Committee	MA Shuzhong, LUO Jinming, WANG Chunming
Compensation and Appraisal Committee	LUO Jinming, HONG Jianqiao, LI Chengqun

Strategy Committee	ZAHO Wenge, WANG Dong, MA Shuzhong
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(2). 11 meetings held by these committees during the report period

Date	Contents of the meeting	Important comments and suggestions	Other things on duty fulfillment
February 8, 2021	2020 Integrated Audit Plan	Agreed with 2020 Integrated Audit Plan	
March 22, 2021	Proposal for nominating candidates for independent directors	Agreed to nominate LUO Jinming as candidate for independent director	
April 1, 2021	Proposal on capital increase and related party transactions of shareholding companies	Agree to increase capital of RMB 1.225 billion for CCCP	
April 12, 2021	Preliminary communication on the results of 2020 integrated audit	Agreed with the preliminary communication on the results of 2020 integrated audit	
April 28, 2021	1. 2020 Financial Reort 2. 2020 Internal Control Evaluation Report 3. 2020 Internal Control Audit Report 4. The Audit Committee's 2020 Performance Report 5. Proposal on re-appointing accounting firm	Agreed with the 2020 Financial Report, the 2020 Internal Control Evaluation Report, the 2020 Internal Control Audit Report, the 2020 Audit Committee Performance Report and the Proposal on Re-appointing the Accounting Firm	
August 9, 2021	2021 Semi-annual Internal Control Audit Work Report	Agree with the 2021 Semi-annual Internal Control Audit Work Report	
September 27, 2021	Proposal on Nomination of Vice General Manager	Agreed to nominate GONG Chenghao and YANG Yang as vice general managers of the Company	
September 27, 2021	1. The proposal on the remuneration of some directors of the Company in 2020 2. The proposal on the remuneration of some directors of the Company in 2020	Agreed to honor the 2020 annual remuneration of some directors and executives	
October 14, 2021	Proposal on capital increase and related party transactions of shareholding companies	Agreed to increase capital of RMB 2.45 billion for CCCP	
November 2, 2021	Proposal on Nomination of Vice General Manager	Agreed to nominate SHOU Shengdi and ZHU Yi as vice general managers of the Company	
December 23, 2021	2021 Annual Integrated Audit Plan	Agreed with the 2021 Integrated Audit Plan	

(3). The specifics of objection

Applicable Not Applicable

VIII. Explanation of the Company risk that the board of supervisors founds

Applicable Not Applicable

The Board of Supervisors has no objection to the supervision matters during the reporting period.

IX. Employees of the parent company and major subsidiaries**(i) Employees**

Number of employees in the parent company	2,282
Number of employees in major subsidiaries	1,941
Total number of employees	4,223
Professional composition	
Professional composition category	Professional composition
Production staff	108
Salesperson	86
Technical staff	2,706
Financial officer	138
Administration staff	301
Security personnel	551
Vehicle management staff	333
Total	4,223
Education level	
Education level category	Quantity (person)
Postgraduate	106
Bachelor's degree	1,564
College graduates and below	2,553
Total	4,223

(ii) Salary policy√Applicable Not Applicable

1. Principles of remuneration system

- (1) Combination of duties, powers, responsibilities, and benefits;
- (2) It shall be fair internally and competitive externally;
- (3) Distribution according to work, priority to efficiency, fairness and sustainable development;
- (4) Adoption of the distribution form of "salary determined by post, grade determined by ability, and award determined by performance" to reasonably widen the income gap.

2. Basis of salary system

Position importance, performance contribution, ability, work attitude and spirit of cooperation.

(1) As far as the overall level is concerned, the Company determines the remuneration based on the current economic benefits and sustainable development.

(2) The Company's salary system includes two different types.

a. The annual salary system is applicable to managers and vice managers of the Company's headquarters, as well as members of the management team of branches and subsidiaries;

b. The structured wage system is applicable to employees who have signed labor contracts for two years and above. Including grassroots management personnel, functional department personnel, engineering management personnel, logistics management personnel and equipment maintenance personnel.

(3) The remuneration of specially hired staff, staff waiting for duty, retired staff and timing piecework staff shall be stipulated separately.

(4) The Company's employee income generally includes four parts: job skill wages, bonuses, benefits, and allowances.

(iii) Training program√Applicable Not Applicable

According to the different training organizations, the Company's employee training can be divided into: OJT training, company internal training, expatriate training and online training.

1. OJT (On the Job Training) The training of ordinary employees and new employees by leaders of various departments, experienced or skilled employees belongs to OJT training, including the Company's administrative management series training, business management series training, engineering technology series training, and security logistics series training.

2. Enterprise internal training. According to the Company's training needs, the Company organizes internal trainers or invites external training institutions to tailor training courses for the Company, allowing employees to receive systematic training, including corporate culture, company organizational structure and rules and regulations, industry status and prospects, and professional ethics, etiquette, code of conduct, language, computer skills, etc.

3. Expatriate training In accordance with the needs of the Company's business development and job skills, the Company organizes personnel in specific positions to go out to participate in the training of training institutions, including financial securities series training, human resource management training, and enterprise management series training.

4. Network training It is an online training for employees through the application of information technology and Internet technology, and different training content is set for different positions, so that training and learning are independent and personalized, and the use of resources is maximized.

(iv) Labor outsourcing

Applicable Not Applicable

Total number of working hours of labor outsourcing	31,678.57 months
Total remuneration paid for labor outsourcing	RMB 69.8461 million

X. Plan for profit distribution or capital reserve into stock capital

(i) Formulation, implementation or adjustment of cash dividend policy

Applicable Not Applicable

According to the China Securities Regulatory Commission's *Notice on Further Implementation of Cash Dividends by Listed Companies* (ZJF [2012] 37) and Zhejiang Securities Regulatory Bureau's *Notice on Forwarding the Notice on Further Implementation of Listed Companies' Cash Dividends* (ZZJSSZ [2012] 138), the Company held the 24th meeting of the sixth board of directors on August 15, 2012, and reviewed and approved the Proposal on Amending the Articles of Association, which revised the Company's profit distribution policy and adjustment decision-making mechanism. The second extraordinary general meeting of shareholders held on September 3, 2012 was deliberated and approved. In order to further implement the new requirements of the China Securities Regulatory Commission's Guidelines for the Supervision of Listed Companies No. 3- Cash Dividend Distribution of Listed Companies (November 30, 2013) and the Guidelines for Cash Dividend Distribution of Listed Companies of the Shanghai Stock Exchange, the forty-fourth meeting of the sixth board of directors of the Company held on April 17, 2014 reviewed and approved the Proposal on Amending the Profit Distribution Clauses in the Articles of Association of the Company. The Company further clarified the basic principles, distribution forms, specific policies, decision-making mechanisms and procedures of the Company's profit distribution, which were

reviewed and approved by the 2013 Annual General Meeting of Shareholders held on May 12, 2014. The nineteenth meeting of the seventh board of directors of the Company held on December 25, 2015 reviewed and approved the Plan of Zhejiang China Commodity City Group Co., Ltd. on Shareholder Dividend Return Plan.

The Company's 2020 annual general meeting of shareholders held on May 25, 2021 reviewed and approved the Company's profit distribution plan for 2020. In 2020, based on the total share capital of 5,443,214,176 shares, a cash dividend of RMB 0.55 (including tax) will be distributed for every 10 shares. A total of RMB 301,945,279.68 was allocated. The Company's Board of Directors published the Announcement on the Implementation of the Distribution of Rights and Interests in 2021 on the website of the Shanghai Stock Exchange and the China Securities Journal, Shanghai Securities News and Securities Times on June 10, 2021. The profits have been distributed before June 18, 2021. The decision-making procedures related to the Company's profit distribution comply with the provisions of the Articles of Association. The Company listens to the opinions and demands of small and medium shareholders, and the profit distribution is based on factors such as the Company's industry characteristics, development stage and profitability level, and capital needs. It takes into account the requirements for investors to share the results of the Company's development and growth and obtain reasonable investment returns.

(ii) Special explanation of cash dividend policy

Applicable Not Applicable

Whether it complies with the provisions of the Company's Articles of Association or the requirements of the resolution of the general meeting of shareholders	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N
Whether the dividend standard and ratio are clear and clear	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N
Whether the relevant decision-making procedures and mechanisms are complete	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N
Whether the independent directors performed their duties and played their due role	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N
Whether minority shareholders have the opportunity to fully express their opinions and demands, and whether their legitimate rights and interests have been fully protected	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N

(iii) During the reporting period, if the parent company is profitable and the profit available for distribution to shareholders is positive, but does not propose a plan for the distribution of cash profits, the Company shall disclose in details the reason, the application and using plan of the undistributed profits.

Applicable Not Applicable

XI. Incentive stock option plans, employee stock ownership plans and other employee incentives granted by the Company and the impact thereof

(i) Relevant incentive matters have been disclosed in the temporary announcement and there is no progress or change in subsequent implementation.

Applicable Not Applicable

Overview of the matter	Query website
On October 23, 2020, the twenty-third meeting of the eighth Board of Directors of the Company passed the Proposal on the Company's 2020 Restricted Equity incentive Plan (Draft) and Its Summary, Proposal on the Measures for the Evaluation and Management of the Implementation of the Company's 2020 Restricted Equity incentive Plan,	For details, please refer to the Company's announcement on the website of the Shanghai Stock

<p>Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Handle Issues Related to Equity Incentives. The independent directors of the Company issued relevant independent opinions.</p> <p>On October 23, 2020, the sixth meeting of the eighth Board of Supervisors of the Company deliberated and approved the Proposal on the Company's 2020 Restricted Equity incentive Plan (Draft) and its Summary, The Proposal on the Implementation Evaluation and Management Measures for the Company's 2020 Restricted Equity incentive Plan, Proposal on Verification of the List of Incentive Objects of the Company's 2020 Restricted Equity incentive Plan. The board of supervisors issued relevant verification opinions.</p> <p>Independent financial consultants, lawyers and other intermediary agencies issued corresponding opinions.</p>	<p>Exchange (www.sse.com.cn) on October 24, 2020.</p>
<p>On November 18, 2020, it received the Approval for Approving Zhejiang China Commodity City Group Co., Ltd. to implement the 2020 restricted equity incentive plan issued by the State-owned Assets Supervision and Administration Office of the People's Government of Yiwu City, forwarded by Yiwu China Commodity City Holdings Ltd. (Yiwu SASAOF (2020) 51).</p>	<p>For details, please refer to the Company's announcement on the website of the Shanghai Stock Exchange (www.sse.com.cn) on November 20, 2020.</p>
<p>From November 20, 2020 to November 29, 2020, the list of incentive objects and positions of the 2020 restricted equity incentive plan were internally publicized. Within the time limit of the publicity, the board of supervisors of the Company did not receive any objection from any organization or individual or bad feedback, without feedback record. On November 30, 2020, the Board of Supervisors of the Company issued the Examination Opinions and Public Statement of the Board of Supervisors on the List of Incentive Objects of the Company's 2020 Restricted Equity incentive Plan.</p>	<p>For details, please refer to the Company's announcement on the website of the Shanghai Stock Exchange (www.sse.com.cn) on December 1, 2020.</p>
<p>On December 10, 2020, the Company's 2020 Fifth Provisional General Meeting of Shareholders deliberated and approved the "Proposal on the 'Company's 2020 Restricted Equity incentive Plan (Draft)' and Summary", the "Proposal on the "Measures of Assessment and Management of Implementation of 'Company's 2020 Restricted Equity incentive Plan", and the "Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Deal with Equity Incentive Related Matters", and disclosed the "Self-examination</p>	<p>For details, please refer to the Company's announcement on the website of the Shanghai Stock Exchange (www.sse.com.cn) on December 11, 2020.</p>

Report on the Trades of Company's Stocks by Insiders of Company's 2020 Restricted Equity incentive Plan".	
<p>On December 11, 2020, the twenty-sixth meeting of the eighth session of the Company's board of directors passed the Proposal on Granting Restricted Shares to Incentive Objects for the First Time. The independent directors of the Company issued relevant independent opinions.</p> <p>On December 11, 2020, the seventh meeting of the Company's eighth board of supervisors passed the Proposal on Granting Restricted Stocks to Incentive Objects for the First Time. The Board of Supervisors issued the Verification Opinions of the Board of Supervisors on Matters Related to the First Grant of the Company's 2020 Restricted Equity incentive Plan.</p> <p>Independent financial consultants, lawyers and other intermediary agencies issued corresponding opinions.</p>	<p>For details, please refer to the Company's announcement on the website of the Shanghai Stock Exchange (www.sse.com.cn) on December 12, 2020.</p>
<p>On January 15, 2021, the Company received the Securities Change Registration Certificate issued by the Shanghai Branch of China Securities Depository and Clearing Co., Ltd., and the Company completed the registration of the first grant of restricted stocks to incentive objects.</p>	<p>For details, please refer to the Company's announcement on the website of the Shanghai Stock Exchange (www.sse.com.cn) on January 19, 2021.</p>
<p>On August 9, 2021, the 35th meeting of the eighth Board of Directors of the Company passed the "Proposal on Reserved Granting Restricted Stocks to Incentive Objects", "On Adjusting the Repurchase Price of Restricted Stocks and Repurchasing and Cancelling Some Restricted Stocks" 's proposal". The independent directors of the Company issued relevant independent opinions.</p> <p>On August 9, 2021, the ninth meeting of the eighth Board of Supervisors of the Company passed the "Proposal on Reserved Granting Restricted Stocks to Incentive Objects", "Proposal on Adjusting the Repurchase Price of Restricted Stocks and Repurchasing and Cancelling Some Restricted Stocks" ". The Board of Supervisors issued the Verification Opinions of the Board of Supervisors on Matters Related to the Company's Reserved Grant of the Restricted Equity incentive Plan in 2020.</p>	<p>For details, please refer to the Company's announcement on the website of the Shanghai Stock Exchange (www.sse.com.cn) on August 11, 2021.</p>
<p>On November 4, 2021, the Company received the Securities Change Registration Certificate issued by the Shanghai Branch of China</p>	<p>For details, see the Company's</p>

Securities Depository and Clearing Co., Ltd., and the Company completed the registration of the reserved grant of restricted stocks to incentive objects.	announcement on the website of the Shanghai Stock Exchange (www.sse.com.cn) on November 6, 2021.
On November 17, 2021, the Company applied to China Securities Depository and Clearing Co., Ltd. Shanghai Branch for repurchase and cancellation of restricted stocks that have been granted but not yet lifted by some resigned employees. On November 30, 2021, the Company received the "Securities Change Registration Certificate" issued by China Securities Depository and Clearing Co., Ltd. Shanghai Branch, and the Company has completed the registration of the restricted stock repurchase and cancellation.	For details, see the Company's announcement on the website of the Shanghai Stock Exchange (www.sse.com.cn) on November 26, 2021.

(ii) Incentives that have not been disclosed in the temporary announcements or had further progresses

Incentive stock option

Applicable Not Applicable

Other statements

Applicable Not Applicable

Employee stock ownership plans

Applicable Not Applicable

Other incentives

Applicable Not Applicable

(iii) Equity incentives granted to directors and senior executives during the reporting period

Applicable Not Applicable

Applicable Not Applicable

Unit: Ten Thousand Shares

Name	Title	Number of restricted stocks held at the beginning of the year	Number of restricted stocks granted during the reporting period	Grant price of restricted stock (RMB)	Released shares	Unreleased share	Number of restricted stocks held at the end of the period	Market price at the end of the reporting period (RMB)
ZHAO Wenge	Board chairman	0	30	2.94	0	30	30	1,455,000
WANG Dong	Vice Chairman and General	0	30	2.94	0	30	30	1,455,000

	Manager							
JIN Gengzhong	Vice general manager	0	30	2.94	0	30	30	1,455,000
WU Xiubin	Vice general manager	0	30	2.94	0	30	30	1,455,000
ZHANG Qizhen	Vice general manager	0	30	2.94	0	30	30	1,455,000
GONG Chenghao	Vice general manager	0	20	2.94	0	20	20	970,000
YANG Yang	Vice general manager	0	20	2.94	0	20	20	970,000
XU Hang	Director Board Secretary	0	30	2.94	0	30	30	1,455,000
ZHAO Difang	Financial Manager	0	30	2.94	0	30	30	1,455,000
WEI Gang	Vice general manager	0	30	2.94	0	30	30	1,455,000
Total	/	0	280	/	0	280	280	/

(iv) The evaluation mechanism for senior managers during the reporting period, as well as the establishment and implementation of incentive mechanisms

Applicable Not Applicable

The salary appraisal of the senior management personnel is completed and determined according to the performance appraisal method of the head of the enterprise and the Company's operation and related appraisal indicators, then the salary determination is completed.

XII. Construction and implementation of internal control system during the reporting period

Applicable Not Applicable

For details, please refer to the "2021 Internal Control Evaluation Report" disclosed by the Company on the website of the Shanghai Stock Exchange.

Explanation of major deficiencies in internal control during the reporting period

Applicable Not Applicable

XIII. Management and control of subsidiaries during the reporting period

Applicable Not Applicable

For details, please refer to the "2021 Internal Control Evaluation Report" disclosed by the Company on the website of the Shanghai Stock Exchange.

XIV. Explanation of the internal control audit report

Applicable Not Applicable

The Company hired Ernst & Young Hua Ming Certified Public Accountants (special general partnership) to audit the effectiveness of the Company's internal control in its 2021 financial report. The accounting firm has issued a standard unqualified internal control audit report. It is believed that the Company maintained effective internal control of financial reporting in all major aspects in

accordance with the Basic Standards for Corporate Internal Control and related regulations on December 31, 2021. For details of the internal control audit report, please refer to the Shanghai Stock Exchange website (www.sse.com.cn).

Disclosure of internal control audit report: Yes

Opinion type of internal control audit report: standard unqualified opinion

XV. Self-examination and rectification of the Listed Company's governance special actions

In the Listed Company's governance special actions, after self-examination, the Company found that the Company's Articles of Association did not specify that when the shareholders' general meeting elects directors and supervisors, it "should" implement the cumulative voting system. The Company held the third provisional general meeting of shareholders in 2021 on November 4, 2021. With the special resolution of the general meeting of shareholders, the relevant content of Article 84 of the Company's Articles of Association, i.e., "When the general meeting of shareholders votes on the election of directors and supervisors, the cumulative voting system may be implemented in accordance with the provisions of the Articles of Association or the resolutions of the shareholders' general meeting" was revised to "When the general meeting of shareholders votes on the election of two or more directors and supervisors, the cumulative voting system shall be implemented in accordance with the provisions of the Articles of Association or the resolutions of the general meeting of shareholders." For details, please refer to the "Announcement on Amending the Articles of Association" (L 2021-048) disclosed on October 19, 2021 and the "Announcement on Resolutions of the Third Provisional General Meeting in 2021" disclosed on November 5, 2021 (L 2021-054).

XVI. Others

Applicable Not Applicable

Section V. Environmental and Social Responsibilities

I. Environmental issues

(i) Description of the environmental protection status of the Company and its main subsidiaries that are key pollutant discharging units announced by the environmental protection authorities

Applicable Not Applicable

(ii) Description of the environmental protection status of the companies other than the key pollutant discharging units

Applicable Not Applicable

(iii) Relevant information that is conducive to protecting ecology, preventing pollution, and fulfilling environmental responsibilities

Applicable Not Applicable

(iv) Measures taken to reduce their carbon emissions during the reporting period and the effect

Applicable Not Applicable

II. Social responsibility

Applicable Not Applicable

For details, please refer to the "2021 Sustainability Report" disclosed by the Company on the website of the Shanghai Stock Exchange.

III. Status of consolidation and expansion of the results of poverty alleviation, rural revitalization and other specific work

Applicable Not Applicable

Section VI. Significant Matters

I. Fulfillment of commitments

(i) Commitments made by the actual controller, shareholders, affiliates and acquirer of the Company, the Company itself and other related parties during the reporting period or as of the reporting period

Applicable Not Applicable

(ii) If there is a profit forecast for the Company's assets or projects, and the reporting period is still in the profit forecast period, the Company will explain whether the assets or projects have reached the original profit forecast and the reason

Reached Not Reached Not Applicable

(iii) Completion of performance commitments and its impact on the impairment test of goodwill

Applicable Not Applicable

II. Non-operating capital occupation by controlling shareholder and other related parties during the reporting period

Applicable Not Applicable

III. Illegal guarantees

Applicable Not Applicable

IV. The Company's explanation on the 'non-standard opinion audit report' of the accounting firm

Applicable Not Applicable

V. The Company's analysis and explanation on the reasons and effects of changes in accounting policies, accounting estimates or corrections of major accounting errors

(i) The Company's analysis and explanation on the reasons and effects of changes in accounting policies and accounting estimates

Applicable Not Applicable

For details, please refer to "44. Changes in Significant Accounting Policies and Accounting Estimates" in "V. Significant Accounting Policies and Accounting Estimates" in "Chapter X Financial Report" of this report.

(ii) The Company's analysis and explanation on the reasons and effects of major accounting errors correction

Applicable Not Applicable

(iii) Communication with the former accounting firm

Applicable Not Applicable

(iv) Other statements

Applicable Not Applicable

VI. Engagement and termination of engagement of accounting firm

Unit: RMB10,000

	Now engaging
Name of the engaged domestic accounting firm	Ernst & Young Hua Ming Certified Public Accountants (special general partnership)
Remuneration of the engaged domestic accounting firm	200
Audit period of the engaged domestic accounting firm	14

	Name	Remuneration
Internal control auditing accounting firm	Ernst & Young Hua Ming Certified Public Accountants (special general partnership)	55

Statement on the engagement or termination of engagement of accounting firmApplicable Not Applicable

After deliberation at the 32th meeting of the eighth Board of Directors of the Company held on April 28, 2021, and the Company's 2020 annual general meeting of shareholders held on May 25, 2021, the Proposal on Renewing the Appointment of the Accounting Firm was passed, and agreed to continue Appoint Ernst & Young Hua Ming Certified Public Accountants (Special General Partnership) as the Company's 2021 financial and internal control audit agency. For details, please refer to the Announcement on Renewing the Appointment of Accounting Firms (L2021-022) issued by the Company on the Shanghai Stock Exchange website www.sse.com.cn on April 30, 2021, and the Announcement on Resolutions of the 2020 Annual General Meeting of Shareholders (L2021-030) issued by the Company on the Shanghai Stock Exchange website www.sse.com.cn on May 26, 2021.

Statement on replacing the accounting firm during the auditApplicable Not Applicable**VII. Situations at risk of delisting****(i) Reasons for the delisting risk warning**Applicable Not Applicable**(ii) The Company's proposed response measures**Applicable Not Applicable**(iii) Termination of listing and reasons**Applicable Not Applicable**VIII. Matters relating to bankruptcy and reorganization**Applicable Not Applicable**IX. Material litigations and arbitrations**There are material litigations or arbitrations in current reporting period No material litigations or arbitrations in current reporting period**(i) Litigations and arbitrations have been disclosed in the temporary announcements and have had no further progresses**Applicable Not Applicable

(ii) Litigations and arbitrations that have not been disclosed in the temporary announcements or have had further progresses

√Applicable □Not Applicable

Unit: RMB10,000

During the reporting period:									
Plaintiff (claimant)	Defendant (respondent)	Party Bearing Joint Liabilities	Litigation or arbitration	Basic information of litigation (arbitration)	Value involved in litigation (arbitration)	Does the litigation (arbitration) cause estimated liabilities and the amount thereof	Status of litigation (arbitration)	Results of litigation (arbitration) and effect thereof	Enforcement of judgment (award)
The Company	Xi'an Honghua Instrument Factory, Shaanxi Yiwu Shangcheng Property Management Co., Ltd., Xi'an Caixin Real Estate Development Company	None	Litigation	Unfair Competition and Trademark Infringement Dispute Case [(2021) Shaan 01 Zhi Min Chu No. 604]	812	No	Judgment has been made	The defendant shall pay the plaintiff RMB 3 million in compensation	
The Company	Jiangxi Anlong Investment Co., Ltd., Pingxiang Yiwu Small Commodity Wholesale City Property Service Management Co., Ltd.	None	Litigation	Unfair Competition and Trademark Infringement Dispute Case [(2021) Gan 03 Min Chu No. 29]	812	No	Judgment has been made	The defendant shall pay the plaintiff a joint and several compensation of RMB 2.1037 million	
The Company	Jiangsu Zhonghaojiayuan Holding Group Co., Ltd., Suqian Yiwu International Trade City Market Management Co., Ltd., Suqian Maike Information Technology Co., Ltd.	None	Litigation	Dispute over unfair competitions [(2021) Su 01 Min Chu No. 497]	512	No	Judgment has been made	The plaintiff's claims were dismissed	
The Company	Yingde Yiwu Small Commodity Business Development Co., Ltd.	None	Litigation	Unfair competition dispute case [(2021) Yu 18 Min Chu No. 20]	812	No	Judgment has been made	The defendant shall jointly compensate the plaintiff for economic losses of RMB 3 million.	
The Company	Puyang Lidu Real Estate Development Co., Ltd., Puyang Yiwu International Trade City Commercial Management Co., Ltd., Puyang Yanbin Building Catering Culture Co., Ltd.	None	Litigation	Unfair Competition and Infringement of Trademark Exclusive Rights Dispute Case [(2021) Yu 09 Zhi Min Chu No. 37]	512	No	Judgment has been made	The defendant shall jointly compensate the plaintiff for economic losses of RMB 3.1038 million.	
The Company	Pingdingshan Yuhong Jiaye Real Estate Development Co., Ltd., Pingdingshan Wanshang Yiwu Small Commodity Market Operation Co., Ltd.	None	Litigation	Unfair Competition and Infringement of Trademark Exclusive Rights Dispute Case [(2021) Yu 04 Zhi Min Chu No. 82]	512	No	Judgment has been made	The defendant shall jointly compensate the plaintiff for economic losses of RMB 1.5 million.	

The Company	Qingzhou Yifeng Hanjin Real Estate Co., Ltd., Qingzhou Yifeng Commercial Property Management Co., Ltd., Shandong Yifeng Industrial Group Real Estate Co., Ltd.	None	Litigation	Unfair Competition and Trademark Infringement Dispute Case [(2021) Lu 07 Min Chu No. 38]	812	No	Judgment has been made	The defendant Qingzhou Yifeng Hanjin Real Estate Co., Ltd. shall compensate the plaintiff for economic losses of RMB 2 million and reasonable expenses of RMB 101,100
The Company	Nanjing Yiwu Small Commodity City Co., Ltd., Nanjing Zheshang Investment Co., Ltd., Nanjing Xiezhong Group Real Estate Development Co., Ltd.	None	Litigation	Dispute over unfair competitions [(2021) Su 01 Min Chu No. 630]	812	No	Judgment has been made	The defendant shall jointly and severally compensate the plaintiff for economic losses of RMB 6 million and reasonable expenses of RMB 103,600
The Company	Shanxi Yuheng Shengshi Real Estate Development Co., Ltd.	None	Litigation	Unfair Competition and Trademark Infringement Dispute Case [(2021) Jin 01 Min Chu No. 394]	812	No	Judgment has been made	The defendant shall compensate the plaintiff for economic losses of RMB 1 million and reasonable expenses of RMB 101,200
The Company	Zhenjiang Hongda Real Estate Co., Ltd., Zhenjiang Hongda Yiwu Small Commodity Market Management Co., Ltd.	None	Litigation	Dispute over unfair competitions [(2021) Su 01 Min Chu No. 1336]	812	No	Judgment has been made	The defendant shall jointly and severally compensate the plaintiff RMB 6 million and reasonable expenses of RMB 101,100
The Company	Dongguan Xingying Yiwu Small Commodity City Co., Ltd., Dongguan Hongyu Industrial Investment Co., Ltd.	None	Litigation	Unfair competition dispute case [(2021) Yu 19 Min Chu No. 76]	812	No	Judgment has been made	The defendant shall jointly and severally compensate RMB 6 million for economic losses and RMB 101,100 for reasonable expenses
The Company	Zhejiang Yiwu Chuanglian Market Investment Management Co., Ltd., Hunan Zotye Real Estate Development	None	Litigation	Unfair Competition Dispute Case [(2021) Xiang 07 Zhi Min Chu No. 167]	792	No	Judgment has been made	The defendant shall jointly and severally compensate the

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	Co., Ltd., Deng Shenping, Wang Zhiyong							plaintiff RMB 200,000 and reasonable expenses of RMB 103,700	
The Company	Chongqing Jingtou Investment Group Co., Ltd., Chongqing Jingtou Wanyu Real Estate Co., Ltd.	None	Litigation	Unfair Competition Disputes and Infringement of Trademark Exclusive Rights [(2021) Yu 01 Min Chu No. 663]	512	No	Judgment has been made	The defendant shall jointly compensate the plaintiff for economic losses of RMB 3 million.	
Zhejiang Yiwugou E-commerce Co., Ltd.	The Company	None	Litigation	Dispute over unfair competitions [(2020) Z 01 M C No. 2202]	1,000	No	Judgment has been made	The plaintiff's claims were dismissed	
Supply Chain Company	Zhejiang Jielian Network Technology Co., Ltd.	None	Litigation	Leasing Contract Dispute Case [(2021) Zhe 0782 Min Chu No. 19808]	1,328.67	No	Judgment has been made	The defendant shall pay the plaintiff RMB 6,000,600 in rent, RMB 261,300 in public energy consumption, and pay liquidated damages	
The Company	Shenzhen Maojun Investment Co., Ltd., Shenzhen Yiwu Small Commodity Wholesale City Co., Ltd., Shenzhen Longgang District Weifa Enterprise Development Co., Ltd., Zhejiang Yiwu Shangdu Market Development Co., Ltd.	None	Litigation	Second instance of trademark infringement dispute [(2021) Yu Min Zhong No. 1431]	1,212	No	Trial has started, but no judgment has been made		
The Company	Yiwu Wankexing Market Development Co., Ltd., Xinyang Wanjia Denghuo Industry Co., Ltd., Henan Zhongda Commercial Operation Management Co., Ltd.	None	Litigation	Dispute over unfair competitions [(2021) Zhe 07 Min Chu No. 58]	792	No	Trial has started, but no judgment has been made		
The Company	Guangxi Huading Century Investment Group Co., Ltd., Yulin Huading Investment Co., Ltd., Yulin Wanshanghui Commercial Operation Co., Ltd.	None	Litigation	Dispute over unfair competitions [(2021) Gui 01 Min Chu No. 817]	812	No	Trial has started, but no judgment has been made		

(iii) Other statements

Applicable Not Applicable

In March 2018, the Company and Yiwu China Commodities City (the Company's former holding subsidiary, present participating company, in which the Company holds 35.8% of shares) was sued by Bank of China Co., Ltd. Yiwu Branch (hereinafter referred to as "Bank of China Yiwu Branch") due to a letter of credit dispute to the Jinhua Intermediate People's Court of Zhejiang Province (hereinafter referred to as "Jinhua Intermediate Court"). For details, see the "Announcement on Litigation Involved in the Company and Its Holding Subsidiaries" (Lin 2018-008) disclosed by the Company on March 2, 2018. Later, the lawsuit was dismissed by Jinhua Intermediate Court.

On May 18, 2018, Bank of China Yiwu Branch transferred all the rights of the principal and interest, compound interest, liquidated damages, compensation and other claims under the letter of credit involved to China Cinda Asset Management Co., Ltd. Zhejiang Branch (hereinafter referred to as "Cinda Assets").

On June 25, 2021, Cinda Assets again filed a civil lawsuit with the Jinhua Intermediate People's Court on the dispute over the letter of credit. For details, see the "Announcement on the Progress of Litigation Involved in the Company and its Subsidiaries" (Lin 2021-036) disclosed by the Company on July 21, 2021.

No hearings have been held as of the end of the reporting period.

X. Information of the listed company and its directors, supervisors, senior management, controlling shareholder, and actual controller suspected of violations of laws and regulations, penalties and rectification

Applicable Not Applicable

XI. Credit standing of the Company and its controlling shareholder and actual controller

Applicable Not Applicable

There was no outstanding court judgment or overdue debt of a large amount involving the Company or its controlling shareholder or actual controller during the reporting period.

XII. Material related-party transactions**(i) Related-party transactions relating to regular corporate operation****1. Matters that have been disclosed in the temporary announcements and had no further progresses or changes**

Applicable Not Applicable

2. Matters that have been disclosed in the temporary announcements but had further progresses or changes

Applicable Not Applicable

3. Matters that have not been disclosed in the temporary announcements

Applicable Not Applicable

Unit: RMB

Related counterparty	Relationship	Type of related-party transaction	Contents of related-party transaction	Pricing principle	Price of related-party transaction	Amount of related-party transaction	Percentage in the amount of similar transactions	Settlement method	Market M/Price	Reasons for the large difference between

							(%)			the price of the transaction and reference market price
Yiwu Security Service Co., Ltd.	Subsidiaries of controlling shareholder parent company	Acceptance of labor service	Epidemic prevention and control and exhibition security service fee	Market price	23,927,708.38	23,927,708.38	47.51	Account transfer		
Yiwu China Commodities City Property Service Co., Ltd.	Controlling subsidiaries of controlling shareholder	Acceptance of labor service	Property service fee and greening maintenance fee	Market price	13,721,576.38	13,721,576.38	27.24	Account transfer		
CCCH	Controlling shareholder	Rent	Warehouse space rental	Market price	3,947,798.16	3,947,798.16	7.84	Account transfer		
CCCP	Controlling subsidiaries of controlling shareholder	Lease out	Office space rental	Market price	3,767,104.11	3,767,104.11	7.48	Account transfer		
Yiwu China Commodities City Creative Design and Development Services Co., Ltd.	Associates	Acceptance of labor service	Design fee	Market price	1,953,465.33	1,953,465.33	3.88	Account transfer		
Yourworld International Conference Center, subordinated to Yiwu Market Development Group	Branches of the controlling shareholder parent company	Acceptance of labor service	Laundering fees	Market price	1,594,054.55	1,594,054.55	3.17	Account transfer		
Yourworld International Conference Center, subordinated to Yiwu Market Development Group	Branches of the controlling shareholder parent company	Other inflow	Entrusted management fees and license fees	Negotiated price	1,453,314.18	1,453,314.18	2.88	Account transfer		
Total				/	/	50,365,021.09	100	/	/	/
Return of large-value goods sales										
Illustration on related-party transactions										

(ii) Related transactions in the acquisition or sale of assets or equity**1. Matters that have been disclosed in the temporary announcements and had no further progresses or changes**

Applicable Not Applicable

2. Matters that have been disclosed in the temporary announcements but had further progresses or changes

Applicable Not Applicable

3. Matters that have not been disclosed in the temporary announcements

Applicable Not Applicable

4. If any agreement on the operating results is involved, the achievement of operating results during the reporting period shall be disclosed

Applicable Not Applicable

(iii) Related-party transactions arising from joint external investment

1. Matters that have been disclosed in the temporary announcements and had no further progresses or changes

Applicable Not Applicable

2. Matters that have been disclosed in the temporary announcements but had further progresses or changes

Applicable Not Applicable

(1) The Company and the controlling shareholder CCCH increased the capital of CCCP in monetary form according to the shareholding ratio. CCCH increased the capital by RMB 1.275 billion, the Company increased the capital by RMB 1.225 billion. After the capital increase, the registered capital of CCCP was RMB 5 billion, and the shareholding ratio of both parties maintained unchanged. For details, see the "Announcement on Capital Increase to Participating Companies and Related Transactions" (Announcement No.: Lin 2021-014).

By the end of the reporting period, the Company and CCCH have completed capital contributions, and CCCP has completed its industrial and commercial alteration registration.

(2) The Company and the controlling shareholder CCCH proposed to increase the capital of CCCP in monetary form according to the shareholding ratio. CCCH increased the capital by RMB 2.55 billion, the Company increased the capital by RMB 2.45 billion. After the capital increase, the registered capital of CCCP was RMB 10 billion, and the shareholding ratio of both parties maintained unchanged. For details, see the "Announcement on Capital Increase to Participating Companies and Related Transactions" (Announcement No.: L 2021-049).

The Company held the thirty-ninth meeting of the eighth Board of Directors of the Company on October 29, 2021, at which it reviewed and approved the "Proposal on Revocation of the "Proposal on the Capital Increase and Related Party Transactions of the Equity Participating Company" and submitted to the General Meeting of Shareholders for deliberation, agreeing to cancel the above-mentioned capital increase. For details, see the "Announcement on Capital Increase to Participating Companies and Related Transactions" (Announcement No.: L 2021-052).

3. Matters that have not been disclosed in the temporary announcements

Applicable Not Applicable

(iv) Related-party credits and debts

1. Matters that have been disclosed in the temporary announcements and had no further progresses or changes

Applicable Not Applicable

2. Matters that have been disclosed in the temporary announcements but had further progresses or changes

Applicable Not Applicable

In order to meet the development needs of Handing Shangbo, a wholly-owned subsidiary of the Company's subsidiary CCCP for the development of real estate project on the east side of the intersection of Fotang Avenue and Shuangfeng Road, Fotang Town, Yiwu, the Company provided Handing Shangbo with a financial aid of no more than RMB 490 million. CCCH, the Company's

controlling shareholder, will provide Handing Shangbo with the financial aid in the same proportion of its indirect shareholding in Handing Shangbo. For details, please refer to the Announcement on Providing External Financial Assistance and Related Party Transactions (Announcement Number: L2020-098).

As of the end of the reporting period, the Company provided financial aid of RMB 220 million, and CCCH has provided financial aid of RMB 231 million.

3. Matters that have not been disclosed in the temporary announcements

Applicable Not Applicable

(v) Financial business between the Company and the associated financial companies, the Company's holding financial company and the related parties

Applicable Not Applicable

(vi) Others

Applicable Not Applicable

XIII. Material contracts and performance thereof

(i) Trusteeship, contracting and leases

1. Trusteeship

Applicable Not Applicable

2. Contracting

Applicable Not Applicable

3. Lease

Applicable Not Applicable

(ii) Guarantees

√Applicable □Not Applicable

Unit: RMB10,000

External guarantees provided by the Company (excluding those provided for the subsidiaries)														
Guarantor	Relationship between the guarantor and the Listed Company	The guaranteed	Amount of guarantee	Date of guarantee (signing date of the agreement)	Guarantee Starting date	Guarantee Maturity date	Type of guarantee	Collateral (if any)	Is the guarantee fulfilled in full	Is the guarantee overdue	Overdue amount of the guarantee	Counter guarantees	Is it a related-party guarantee	Related Relationship
The Company	The Company itself	Yiwu Shanglv	14,528.77	December 16, 2015	July 1, 2015	December 15, 2026	Joint and several liability guarantee		No	No		SCO provided a counter-guarantee	Yes	Joint venture
The Company	The Company itself	Yiwu Shanglv	828.31	August 13, 2020	December 25, 2020	December 24, 2023	Joint and several liability guarantee		No	No		CCCH provided a counter-guarantee	Yes	Joint venture
Hangzhou Shangbo Nanxing	Wholly-owned subsidiary	House purchaser	506.33				Joint and several liability guarantee		No	No			No	
Amount of guarantees made during the reporting period (excluding the guarantees provided for subsidiaries)														-81,535.84
Balance of guarantees at the end of the reporting period (A) (excluding the guarantees provided for subsidiaries)														15,863.41
The guarantee of the Company and its subsidiaries to the subsidiaries														
Amount of guarantees provided for subsidiaries during the reporting period														-
Balance of guarantees provided for subsidiaries at the end of the reporting period (B)														-
Total guarantees provided by the Company (including those provided for the subsidiaries)														
Total amount of guarantees (A+B)														15,863.41
Ratio of the total amount of guarantees to the Company's net assets (%)														1.08
Among which:														
Amount of guarantees provided for shareholders, actual controller and their														-

related parties (C)	
Amount of guarantees provided directly or indirectly for the debtors whose debt-to-asset ratio exceed 70% (D)	-
Portion of total amount of guarantees in excess of 50% of net assets (E)	-
Total (C+D+E)	-
Statement on the joint and several liability that may be assumed due to outstanding guarantees	
Statement on guarantees	<p>1. According to the resolution of the 15th Meeting of the 7th Board of Directors on July 1, 2015, the Group applied for a RMB 750 million loan with Agricultural Bank of China Yiwu Branch for Yiwu Shanglv and provided guarantees in accordance with the shareholding ratio. The guarantee method was joint liability guarantee, the highest guarantee amount was RMB 367.5 million and the guarantee term was 11 years. As of December 31, 2021, Yiwu Shanglv actually borrowed RMB 296,505,577.63 (December 31, 2020: RMB 477,659,739.88) from the banks in total. According to the agreement of the guarantee contract, it assumed the guarantee liability of RMB 145,287,733.04 (December 31, 2020: RMB 234,053,272.54) for the Agricultural Bank of China Yiwu Branch. Yiwu State-owned Capital Operation Co., Ltd. provided a counter guarantee for this guarantee.</p> <p>2. According to the resolution of the 19th Meeting of the 8th Board of Directors on August 13, 2020, the Group applied for a loan with a total amount of not more than RMB 100 million for Yiwu Shanglv with the Bank of Communications Co., Ltd. Yiwu Branch and provided a guarantee in proportion to the shareholding ratio. The guarantee method was under joint liability, the maximum amount of the guarantee was RMB 49 million, and the guarantee period was two years, from the date of the expiry of the debt performance period agreed in the independent contract until the date of the expiration of the debt performance period of all last due main debt under the master contract. As of December 31, 2021, Yiwu Shanglv actually borrowed RMB 28,404,291.89 (December 31, 2020: RMB 11,500,000.00) from banks in total. According to the agreement of the guarantee contract, it assumed the guarantee liability of RMB 8,283,103.03 (December 31, 2020: RMB 5,635,000.00) for the Agricultural Bank of China Yiwu Branch. CCCH provided a counter-guarantee</p> <p>3. According to relevant regulations, before the purchaser of the commercial housing sold by the Group has obtained the property certificate, the Group shall provide the purchaser with a bank mortgage guarantee. As of December 31, 2021, the unsettled guarantee amount was RMB 5,063,333.60 (December 31, 2020: RMB 16,170,141.08). Those guarantees would be released after the issuance of the property ownership certificates and are thus little likely to incur losses. Therefore, the management believed that it was not necessary to make provision for the guarantees.</p>

(iii) Entrust the management of the cash assets of others**1. Entrusted financial management****(1). The totality of entrusted financial management**√Applicable Not Applicable

Unit: RMB10,000

Type	Source of funds	Amount	Unexpired balance	Overdue unrecovered amount
Non-guaranteed floating income	Self-owned funds	1,850	1,000	-
Principal Guaranteed Fixed Income	Self-owned funds	1,500	1,500	-

Other informationApplicable Not Applicable**(2). Individual entrusted financial management**Applicable Not Applicable**Other information**Applicable Not Applicable**(3). Entrusted financial management impairment provision**Applicable Not Applicable**2. Entrusted Loan****(1). Total entrusted loan**Applicable Not Applicable**Other information**√Applicable Not Applicable

1. After review and approval at the 44th meeting of the sixth Board of Directors of the Company in April 2014 and the 22nd meeting of the seventh Board of Directors of the Company in March 2016, the Company applied to the Export-Import Bank of China for a total loan of RMB 700 million. Special entrusted loans to market merchants are valid within 2 years from the date of approval by the Board of Directors. The Company's loans to the Export-Import Bank of China are guaranteed by MDG, and Shanghai Pudong Development Bank Yiwu Branch acts as an entrusted loan processing

bank. Market traders who entrust loans are pledged with the right to use shops in China Commodity City.

There are no new entrusted loans in this period, and all entrusted loans issued in the previous period have expired.

As of December 31, 2021, there were 13 overdue loans with an amount of RMB 2.9173 million (if there is any loss outside the quota after the auction of the right to use the shop, it will be compensated).

(2). Single Entrusted Loan

Applicable Not Applicable

Other information

Applicable Not Applicable

(3). Entrusted loan impairment provision

Applicable Not Applicable

3. Other information

Applicable Not Applicable

(iv) Other material contracts

Applicable Not Applicable

No.	Name of contract	Contracting party	Contract price (RMB10,000)
1	Yiwu International Trade City Zone II East Parking Building Project Construction Contract 1	Yiwu Haoyang Construction Co., Ltd.	28,450.06
2	Equity Transfer Agreement	Haier Group (Qingdao) Financial Holdings Co., Ltd.	44,930.00
3	Yiwu Comprehensive Bonded Zone New Import Market - South Zone Engineering Contract	Zhejiang Construction Engineering Group Co., Ltd.	63,710.82
4	Yiwu Comprehensive Bonded Zone New Import Market - North Zone Engineering Contract	China Construction Seventh Engineering Bureau Co., Ltd.	72,323.68
5	Yiwu Digital Trade Industrial Park Engineering Construction Project Construction Contract	Zhongtian Construction Group Co., Ltd.	23,752.62

XIV. Explanation on other major events that have a significant impact on investors' value judgments and investment decisions

Applicable Not Applicable

Section VII. Changes in Shares and Shareholders

I. Changes in equity

(i) Exhibition of changes in shares

1. Exhibition of changes in shares

Unit: Ten Thousand Shares

	Before this change		Increase or decrease in the current period (+, -)					After this change	
	Quantity	Proportion (%)	New shares issued	Bonus shares	Shares converted from capital reserve	Others	Sub-total	Quantity	Proportion (%)
I. Restricted shares	0	0	4,904	0	0	-98	4,806	4,806	0.88
1. Shares held by other domestic capitals	0	0	4,904	0	0	-98	4,806	4,806	0.88
In which: shares held by domestic non-state-owned natural persons	0	0	4,904	0	0	-98	4,806	4,806	0.88
II. Unrestricted shares	544,321.4176	100	0	0	0	0	0	544,321.4176	99.12
1. RMB-denominated common shares	544,321.4176	100	0	0	0	0	0	544,321.4176	99.12
III. Total number of shares	544,321.4176	100	4,904	0	0	-98	4,806	549,127.4176	100

2. Description of changes in shares

Applicable Not Applicable

On January 15, 2021, due to the first grant of the 2020 restricted equity incentive plan, an additional 46.7 million shares of restricted shares were issued.

On November 4, 2021, due to the reserved grant of the 2020 Restricted Equity incentive Plan, an additional 2.34 million shares of restricted tradable shares were added.

On November 30, 2021, because some incentive objects no longer met the incentive conditions, the Company repurchased and cancelled 980,000 shares of restricted shares.

3. The impact of changes in shares on financial indicators such as earnings per share and net assets per share in the most recent year and the most recent period (if any)

Applicable Not Applicable

During the reporting period, the Company's share capital changed due to the implementation of the restricted equity incentive plan. For details, please refer to "Section II, VII. Major accounting data and financial indicators in the past three years."

4. Other matters the Company deems it necessary to disclose or required by the securities regulatory authority to be disclosed

Applicable Not Applicable

(ii) Changes in non-tradable shares

Applicable Not Applicable

Unit: 10,000 shares

Shareholder	Number of restricted shares at the beginning of the year	Number of restricted shares released during the year	Number of increased restricted shares during the year	Number of restricted shares at the end of the year	Reasons for restriction on trade	Release date
386 incentive objects for first-time grand of the restricted equity incentive plan in 2020	0	0	4,572	4,572	Restricted equity incentives	The lock-up period is 24 months, 36 months and 48 months from the date when the registration of the reserved grant is completed.
31 incentive objects for reserved grant of restricted equity incentive plan in 2020	0	0	234	234	Restricted equity incentives	The lock-up period is 24 months, 36 months and 48 months from the date when the registration of the reserved grant is completed.
Total	0	0	4,806	4,806	/	/

Note: The Company granted 46.7 million shares to 395 incentive objects for the first time. Because 9 incentive objects no longer met the incentive conditions, the Company repurchased and cancelled 980,000 shares of restricted shares. As of the end of the reporting period, there were 386 surviving first-time incentive objects, holding a total of 45.72 million restricted shares.

II. Securities issuance and listing

(i) Securities issuance as of the reporting period

Applicable Not Applicable

Currency: 10,000 shares Currency: RMB

Stocks and derivatives Types of	Issue date	Issuing price (or interest)	Issuing number	Listing date	Number of approved listing	Transaction termination date
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securities		rate)			transactions	
Common stock class						
A share	January 15, 2021	RMB 2.94 /share	4,670	January 15, 2021	4,670	
A share	November 4, 2021	RMB 2.39 / share	234	November 4, 2021	234	
Bonds (including corporate bonds, corporate bonds, and non-financial corporate debt financing instruments)						
19 YIWU CCC 01	June 3, 2019	4.30%	800	June 18, 2019	800	June 5, 2022
19 YIWU CCC 02	September 26, 2019	3.99%	700	October 15, 2019	700	September 27, 2022

Notes on the issuance of securities as of the reporting period (for bonds with different interest rates during the duration, please specify separately):

Applicable Not Applicable

In accordance with the CSRC License [2019] 380 document issued by the China Securities Regulatory Commission on March 14, 2019, the Company publicly issued RMB 800,000,000 of corporate bonds on June 3, 2019. The face value of the current bonds is RMB 100 and the coupon rate is 4.30 %. It was listed and traded on the Shanghai Stock Exchange on June 18, 2019. The abbreviation of the bond is 19XS01 and the bond code is 155450.

In accordance with the document Zheng Jian Li [2019] No. 380 issued by the China Securities Regulatory Commission on March 14, 2019, the Company publicly issued RMB 700,000,000 of corporate bonds on September 26, 2019. The face value of the current bonds is RMB 100, and the coupon rate is 3.99%. It was listed and traded on the Shanghai Stock Exchange on October 15, 2019. The abbreviation of the bond is 19XS02 and the bond code is 155750.

(ii) Changes in the total number of shares of the Company, the shareholder structure, and changes in the Company's assets and liabilities structure

Applicable Not Applicable

(iii) Existing internal employee shares

Applicable Not Applicable

III. Shareholders and actual controllers

(i) Total number of shareholders

The total number of common shareholders as of the end of the reporting period	178,184
The total number of common shareholders (households) at the end of the previous month before the disclosure of the annual report	174,429

(ii) Shareholdings of the top 10 shareholders and top 10 holders of tradable shares (or shareholders not subject to trading restrictions)

Unit: share

Shares held by top 10 shareholders							
Shareholder (full name)	Change during the reporting period	Number of shares held at the end of the reporting period	Proportion (%)	Number of non- tradable shares held	Pledge, mark or freezing		Ownership of shareholder
					Status of shares	Quantity	
Yiwu China Commodities City Holdings Limited	0	3,038,179,392	55.33	0	None	0	State- owned legal person
Zhejiang Provincial Finance Development Ltd.	0	147,466,528	2.69	0	None	0	State- owned legal person
Hong Kong Securities Clearing Company Ltd.(HKSCC)	50,437,703	63,910,325	1.16	0	Unknown	0	Others
LI Guoping	41,954,500	41,954,500	0.76	0	Unknown	0	Domestic natural person
LIU Jiaxuan	30,401,500	30,401,500	0.55	0	Unknown	0	Domestic natural person
Bosera Funds – Agricultural Bank of China – Bosera China Securities Financial Assets Management Scheme	0	27,672,800	0.50	0	Unknown	0	Unknown
E Fund – Agricultural Bank of China – E Fund China Securities Financial Assets Management Scheme	0	27,672,800	0.50	0	Unknown	0	Unknown

Dacheng Fund – Agricultural Bank of China – Dacheng China Securities Financial Assets Management Scheme	0	27,672,800	0.50	0	Unknown	0	Unknown
GF Fund– Agricultural Bank of China – GF China Securities Financial Assets Management Scheme	0	27,672,800	0.50	0	Unknown	0	Unknown
Zhong Ou AMC– Agricultural Bank of China – Zhong Ou China Securities Financial Assets Management Scheme	0	27,672,800	0.50	0	Unknown	0	Unknown
Southern Asset Management – Agricultural Bank of China – Southern China Securities Financial Assets Management Scheme	0	27,672,800	0.50	0	Unknown	0	Unknown
ICBC Credit Suisse Asset Management – Agricultural Bank of China – ICBC Credit Suisse China Securities Financial Assets Management Scheme	0	27,672,800	0.50	0	Unknown	0	Unknown
Shares held by top 10 holders of tradable shares							
Shareholder	Number of tradable shares held	Type and quantity of shares					
		Type			Quantity		

Yiwu China Commodities City Holdings Limited	3,038,179,392	RMB-denominated common share	3,038,179,392
Zhejiang Provincial Finance Development Ltd.	147,466,528	RMB-denominated common share	147,466,528
Hong Kong Central Clearing Company Limited	63,910,325	RMB-denominated common share	63,910,325
LI Guoping	41,954,500	RMB-denominated common share	41,954,500
LIU Jiaxuan	30,401,500	RMB-denominated common share	30,401,500
Bosera Funds – Agricultural Bank of China – Bosera China Securities Financial Assets Management Scheme	27,672,800	RMB-denominated common share	27,672,800
E Fund – Agricultural Bank of China – E Fund China Securities Financial Assets Management Scheme	27,672,800	RMB-denominated common share	27,672,800
Dacheng Fund – Agricultural Bank of China – Dacheng China Securities Financial Assets Management Scheme	27,672,800	RMB-denominated common share	27,672,800
GF Fund – Agricultural Bank of China – GF China Securities Financial Assets Management Scheme	27,672,800	RMB-denominated common share	27,672,800
Zhong Ou AMC – Agricultural Bank of China – Zhong Ou China Securities Financial Assets Management Scheme	27,672,800	RMB-denominated common share	27,672,800
Southern Asset Management – Agricultural Bank of China – Southern China Securities Financial Assets Management Scheme	27,672,800	RMB-denominated common share	27,672,800
ICBC Credit Suisse Asset Management – Agricultural Bank of China – ICBC Credit Suisse China Securities Financial Assets Management Scheme	27,672,800	RMB-denominated common share	27,672,800
Explanation on the relationship or concerted action between the above shareholders	Zhejiang Finance Development Co., Ltd. holds 9.44% of the shares of Yiwu State-owned Capital Operation Co., Ltd., the controlling shareholder of Yiwu China Commodity City Holding Limited, the controlling shareholder of Yiwu Market Development Group Co., Ltd.		
Explanation on the preferred shareholders whose voting rights had been restituted and the quantity of shares held thereby	None		

Number of shares held by the top 10 shareholders subject to trading restrictions and the trading restriction conditions

Applicable Not Applicable

(iii) Strategic investors or general legal persons became the top 10 shareholders due to the placement of new shares.

Applicable Not Applicable

IV. Controlling shareholder and actual controller**(i) Controlling shareholder****1. Legal person**

Applicable Not Applicable

Name	Yiwu China Commodities City Holdings Limited
The person in charge or legal representative of the unit	ZHAO Wenge
Date of establishment	October 29, 2019
Main business	State-owned shareholding platform
Shareholdings of other domestic and overseas listed companies that hold or participate in shares during the reporting period	None
Other statements	None

2. Natural person

Applicable Not Applicable

3. Special statement that the Company does not have a controlling shareholder

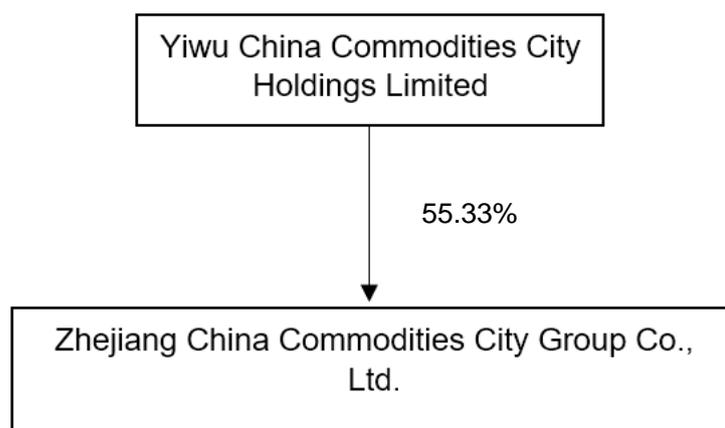
Applicable Not Applicable

4. Explanation on Changes in Controlling shareholder During the Reporting Period

Applicable Not Applicable

5. Block diagram of the property rights and control relationship between the Company and the controlling shareholder

Applicable Not Applicable

**(ii) The actual controller****1. Legal person**

Applicable Not Applicable

Name	State-owned Assets Supervision and Administration Office of the People's Government of Yiwu
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The person in charge or legal representative of the unit	YU Huazhong
Date of establishment	March 26, 2009
Main business	State-owned capital management and state-owned equity management
Shareholdings of other domestic and overseas listed companies that hold or participate in shares during the reporting period	None
Other statements	None

2. Natural person

Applicable Not Applicable

3. Special explanation that the Company does not have an actual controller

Applicable Not Applicable

4. Explanation on changes in the Company's control during the reporting period

Applicable Not Applicable

5. Block diagram of the property rights and control relationship between the Company and the actual controller

Applicable Not Applicable



6. The actual controller controls the Company through trust or other asset management methods.

Applicable Not Applicable

(iii) Other introductions of controlling shareholder and actual controllers

Applicable Not Applicable

V. The controlling shareholder or the largest shareholder of the Company and its persons acting in concert have accumulatively pledged shares that account for more than 80% of the Company's shares held by them

Applicable Not Applicable

VI. Other corporate shareholders holding more than 10% of the shares

Applicable Not Applicable

VII. Description of share restriction reduction

Applicable Not Applicable

VIII. The specifics of implementation of share repurchase during the reporting period

Applicable Not Applicable

Section VIII. Preferred Shares

Applicable Not Applicable

Section IX. Bonds

I. Corporate bonds, corporate bonds and non-financial corporate debt financing instruments

√Applicable Not Applicable

(i) Corporate bonds

Applicable Not Applicable

(ii) Corporate bonds

√Applicable Not Applicable

1. Basic information on corporate bonds

Unit: RMB 100 million Currency: RMB

Name of bond	Abbreviation	Code	Issue date	Value date	Maturity date	Outstanding amount	Interest rate (%)	Method of principal repayment and interest payment	Marketplace	Whether there is a risk of terminating the transaction in the stock market
Publicly offered corporate bond 2019 of Zhejiang China Commodities City Group Co., Ltd (Phase I)	19 YIWU CCC 01	155450	June 3, 2019	June 5, 2019	June 5, 2022	8	4.3	For the principal repayment and interest payment of the bond, the list of bondholders would be made according to the relevant provisions of the bond registration authority. The specific matters shall be handled according to the relevant provisions	Shanghai Stock Exchange	No

								ns of the bond registration authority.		
Publicly offered corporate bond 2019 of Zhejiang China Commodities City Group Co., Ltd (Phase II)	19 YIWU CCC 02	155750	September 26, 2019	September, 2019	September 27, 2022	7	3.99	For the principal repayment and interest payment of the bond, the list of bondholders would be made according to the relevant provisions of the bond registration authority. The specific matters shall be handled according to the relevant provisions of the bond registration authority.	Shanghai Stock Exchange	No

The Company's measures to deal with the risk of bond termination

Applicable Not Applicable

Bonds overdue

Applicable Not Applicable

Bond interest payment during the reporting period

Applicable Not Applicable

Name of bond	Description of interest payment
Publicly offered corporate bond 2019 of Zhejiang China Commodities City Group Co., Ltd (Phase I)	On June 7, 2021, the Company paid interest to all "19XS01" holders on time from June 5, 2020 to June 4, 2021.

Publicly offered corporate bond 2019 of Zhejiang China Commodities City Group Co., Ltd (Phase II)	On September 27, 2021, the Company paid interest to all "19XS02" holders on time from September 27, 2020 to September 26, 2021.
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2. Issuer or investor option clause, investor protection clause trigger and enforcement

Applicable Not Applicable

3. Intermediaries providing services for bond issuance and duration business

Intermediary name	Office address	Name of the Signing Certified Public Accountants	Contact person	Contact number
Haitong Securities Co., Ltd.	15/F Yuanxiangtai Building, No.5 Anding Road, Chaoyang District, Beijing	XU Kangwei, YE Shaokuan	HU Chenghao	17701835535

Changes to the above intermediaries

Applicable Not Applicable

4. Use of raised funds at the end of the reporting period

Applicable Not Applicable

Unit: RMB 100 million Currency: RMB

Name of bond	Total amount of funds raised	Amount used	Amount unused	Operation of the special account for raised funds (if any)	Rectification of illegal use of raised funds (if any)	Whether it is consistent with the purpose, using plan and other agreements promised in the prospectus
Publicly offered corporate bond 2019 of Zhejiang China Commodities City Group Co., Ltd (Phase I)	8	8	0	None	None	Yes
Publicly offered corporate bond 2019 of Zhejiang China Commodities City Group Co., Ltd (Phase II)	7	7	0	None	None	Yes

The progress and operational benefits of raised funds used for construction projects

Applicable Not Applicable

Explanation on changing the use of the above-mentioned bonds raised during the reporting period

Applicable Not Applicable

Other statements

Applicable Not Applicable

5. Adjustment in credit rating results

Applicable Not Applicable

Other statements

Applicable Not Applicable

Shanghai Brilliance Credit Rating & Investors Service Co., Ltd. issued the Credit Rating Surveillance Report on Zhejiang China Commodities City Group Co., Ltd. and Bonds Publicly

Issued by It [Brilliance Surveillance (2021) 100719] on Jun 28, 2021. The Company had an issuer rating of AAA with stable outlook, and the bonds had a rating of AAA.

6. The implementation, changes and impacts of guarantees, debt repayment plans and other debt repayment protection measures during the reporting period and their impacts

Applicable Not Applicable

7. Other statement on corporate bonds

Applicable Not Applicable

(iii) Non-financial corporate debt financing instruments in the inter-bank bond market

Applicable Not Applicable

1. Non-financial corporate debt financing instruments

Unit: RMB 100 million Currency: RMB

Name of bond	Abbreviation	Code	Issue date	Value date	Maturity date	Outstanding amount	Interest rate (%)	Method of principal repayment and interest payment	Marketplace	Investor appropriate arrangements (if any)	Trade mechanism	Whether there is a risk of terminating the transaction in the stock market
Zhejiang China Commodities City Group Co., Ltd.'s 2019 MTN (Issue 1)	19 Zhejiang Yiwu CCC MTN001	101900921	July 11, 2019 to July 12, 2019	July 15, 2019	July 15, 2022	10	3.99	One-time repayment of principal and interest at maturity.	Interbank market	None		No
Zhejiang China Commodities City Group Co., Ltd.'s 2019 MTN (Issue 2)	19 Zhejiang Yiwu CCC MTN002	101901396	October 17, 2019 to October 18, 2019	October 21, 2019	October 21, 2022	10	3.97	One-time repayment of principal and interest at maturity.	Interbank market	None		No
Zhejiang China Commodities City Group Co., Ltd.'s 2021 Super	21 Zhejiang Yiwu CCC SCP008	012103893	October 25, 2021 to October 26, 2021	October 27, 2021	July 22, 2022	10	2.98	One-time repayment of principal and interest at maturity.	Interbank market	None		No

Short-term Financing Bonds (Issue 8)												
Zhejiang China Commodities City Group Co., Ltd.'s 2021 Super Short-term Financing Bonds (Issue 9)	21 Zhejiang Yiwu CCC SCP009	012104113	November 11, 2021 to November 12, 2021	November 15, 2021	August 12, 2022	10	2.87	One-time repayment of principal and interest at maturity.	Interbank market	None		No
Zhejiang China Commodities City Group Co., Ltd.'s 2021 Super Short-term Financing Bonds (Issue 10)	21 Zhejiang Yiwu CCC SCP010	012105209	November 26, 2021 to November 29, 2021	November 30, 2021	August 26, 2022	10	2.84	One-time repayment of principal and interest at maturity.	Interbank market	None		No

The Company's measures to deal with the risk of bond termination

Applicable Not Applicable

Bonds overdue

Applicable Not Applicable

Bond interest payment during the reporting period

Applicable Not Applicable

Name of bond	Description of interest payment
Zhejiang China Commodities City Group Co., Ltd.'s 2018 MTN (Issue 1)	On September 6, 2021, the Company paid the interest to the holders of "18 Zhejiang Yiwu CCC MTN001" for the period from September 6, 2020 to September 5, 2021 on time.
Zhejiang China Commodities City Group Co., Ltd.'s 2019 MTN (Issue 1)	On July 15, 2021, the Company paid the interest to the holders of "19 Zhejiang Yiwu CCC MTN001" for the period from July 15, 2020 to July 14, 2021 on time.
Zhejiang China Commodities City Group Co., Ltd.'s 2019 MTN (Issue 2)	On October 21, 2021, the Company paid the interest to the holders of "19 Zhejiang Yiwu CCC MTN002" for the period from October 21, 2020 to October 20, 2021 on time.
Zhejiang China Commodities City Group Co., Ltd.'s 2020 Super Short-term Financing Bonds (Issue 1)	On March 9, 2021, the Company paid the interest for the period from December 9, 2020 to March 8, 2021 and principal to the holders of "20 Zhejiang Yiwu CCC SCP007" on time.

7)	
Zhejiang China Commodities City Group Co., Ltd.'s 2020 Super Short-term Financing Bonds (Issue 8)	On January 22, 2021, the Company paid the interest for the period from December 25, 2020 to January 21, 2021 and principal to the holders of "20 Zhejiang Yiwu CCC SCP008" on time.
Zhejiang China Commodities City Group Co., Ltd.'s 2021 Super Short-term Financing Bonds (Issue 1)	On April 16, 2021, the Company paid the interest for the period from January 18, 2021 to April 15, 2021 and principal to the holders of "21 Zhejiang Yiwu CCC SCP001" on time.
Zhejiang China Commodities City Group Co., Ltd.'s 2021 Super Short-term Financing Bonds (Issue 2)	On August 24, 2021, the Company paid the interest for the period from February 23, 2021 to August 23, 2021 and principal to the holders of "21 Zhejiang Yiwu CCC SCP002" on time.
Zhejiang China Commodities City Group Co., Ltd.'s 2021 Super Short-term Financing Bonds (Issue 3)	On June 4, 2021, the Company paid the interest for the period from March 8, 2021 to June 3, 2021 and principal to the holders of "21 Zhejiang Yiwu CCC SCP003" on time.
Zhejiang China Commodities City Group Co., Ltd.'s 2021 Super Short-term Financing Bonds (Issue 4)	On July 13, 2021, the Company paid the interest for the period from April 14, 2021 to July 12, 2021 and principal to the holders of "21 Zhejiang Yiwu CCC SCP004" on time.
Zhejiang China Commodities City Group Co., Ltd.'s 2021 Super Short-term Financing Bonds (Issue 5)	On October 29, 2021, the Company paid the interest for the period from June 2, 2021 to October 28, 2021 and principal to the holders of "21 Zhejiang Yiwu CCC SCP005" on time.
Zhejiang China Commodities City Group Co., Ltd.'s 2021 Super Short-term Financing Bonds (Issue 6)	On October 7, 2021, the Company paid the interest for the period from July 8, 2021 to December 6, 2021 and principal to the holders of "21 Zhejiang Yiwu CCC SCP006" on time.
Zhejiang China Commodities City Group Co., Ltd.'s 2021 Super Short-term Financing Bonds (Issue 7)	On November 18, 2021, the Company paid the interest for the period from August 20, 2021 to November 17, 2021 and principal to the holders of "21 Zhejiang Yiwu CCC SCP007" on time.

2. Issuer or investor option clause, investor protection clause trigger and enforcement

Applicable Not Applicable

3. Intermediaries providing services for bond issuance and duration business

Intermediary name	Office address	Name of the Signing Certified Public Accountants	Contact person	Contact number
China Merchants	No. 7088 Shennan	ZHU Wei, ZENG	BAO	18257915891

Bank Co., Ltd.	Avenue, Futian District, Shenzhen, Guangdong, China	Hao	Chentao	
Agricultural Bank of China Limited	No. 69, Jianguomen Inner Street, Dongcheng District, Beijing, China	Han Dan, Zhang Honglei	CHEN Jie	15215859317
Shanghai Pudong Development Bank Co., Ltd.	No. 12, Zhongshan East 1st Road, Shanghai	SHI Haiyun, DOU Youming	XU Haokang	13732437619
Industrial and Commercial Bank of China Limited	No. 55, Fuxingmen Inner Street, Xicheng District, Beijing, China	Li Li, He Qi	WANG Ziqiang	18857980520
China Construction Bank Corporation	No. 25 Jinron Street, Xicheng District, Beijing	Wang Pengcheng, Tian Zhiyong, Feng Suoteng	WU Yanting	15067057702

Changes to the above intermediaries

Applicable Not Applicable

4. Use of raised funds at the end of the reporting period

Applicable Not Applicable

Unit: RMB 100 million Currency: RMB

Name of bond	Total amount of funds raised	Amount used	Amount unused	Operation of the special account for raised funds (if any)	Rectification of illegal use of raised funds (if any)	Whether it is consistent with the purpose, using plan and other agreements promised in the prospectus
Zhejiang China Commodities City Group Co., Ltd.'s 2021 Super Short-term Financing Bonds (Issue 1)	10	10	0	None	None	Yes
Zhejiang China Commodities City Group Co., Ltd.'s 2021 Super Short-term Financing Bonds (Issue 2)	10	10	0	None	None	Yes
Zhejiang China Commodities City Group Co., Ltd.'s 2021 Super Short-term Financing Bonds (Issue 3)	10	10	0	None	None	Yes
Zhejiang China Commodities City Group Co., Ltd.'s 2021 Super Short-term Financing Bonds (Issue 4)	10	10	0	None	None	Yes
Zhejiang China Commodities City Group Co., Ltd.'s 2021 Super Short-term Financing Bonds (Issue 5)	10	10	0	None	None	Yes
Zhejiang China Commodities City Group Co., Ltd.'s 2021 Super Short-term Financing Bonds (Issue 6)	10	10	0	None	None	Yes
Zhejiang China Commodities City Group Co., Ltd.'s 2021 Super	10	10	0	None	None	Yes

Short-term Financing Bonds (Issue 7)						
Zhejiang China Commodities City Group Co., Ltd.'s 2021 Super Short-term Financing Bonds (Issue 8)	10	10	0	None	None	Yes
Zhejiang China Commodities City Group Co., Ltd.'s 2021 Super Short-term Financing Bonds (Issue 9)	10	10	0	None	None	Yes
Zhejiang China Commodities City Group Co., Ltd.'s 2021 Super Short-term Financing Bonds (Issue 10)	10	10	0	None	None	Yes

The progress and operational benefits of raised funds used for construction projects

Applicable Not Applicable

Explanation on changing the use of the above-mentioned bonds raised during the reporting period

Applicable Not Applicable

Other statements

Applicable Not Applicable

5. Adjustment in credit rating results

Applicable Not Applicable

Other statements

Applicable Not Applicable

Shanghai Brilliance Credit Rating & Investors Service Co., Ltd. issued the Credit Rating Surveillance Report on Zhejiang China Commodities City Group Co., Ltd. and Bonds Publicly Issued by It [Brilliance Surveillance (2021) 100719] on Jun 28, 2021. The Company had an issuer rating of AAA with stable outlook, and the bonds had a rating of AAA.

6. The implementation, changes and impacts of guarantees, debt repayment plans and other debt repayment protection measures during the reporting period and their impacts

Applicable Not Applicable

7. Explanation on other situations relevant to non-financial corporate debt financing instruments

Applicable Not Applicable

(iv) During the reporting period, the Company's loss in the scope of consolidated statements exceeded 10% of its net assets as of the the end of the previous year.

Applicable Not Applicable

(v) Interest-bearing debts other than bonds overdue at the end of the reporting period

Applicable Not Applicable

(vi) Influence of violations of laws and regulations, the Company's Articles of Association, information disclosure affairs management system and the stipulations or commitments in the bond prospectus during the reporting period on the rights and interests of bond investors

Applicable Not Applicable

(vii) The Company's accounting data and financial indicators for the past 2 years as of the end of the reporting period

√Applicable □Not Applicable

Unit: RMB

Major indicator	2021	2020	Increase/decrease in the current period as compared to the prior corresponding period (%)	Reasons for change
Net profit after deduction of non-recurring gains and losses	1,221,808,001.15	517,246,267.88	136.21	
Current ratio	58.91%	91.44%	-35.57	
Quick ratio	50.12%	79.45%	-36.91	
Debt-to-asset ratio (%)	52.83	52.78	0.08	
EBITDA to total debt ratio	0.32	0.27	20.94	
Interest coverage ratio	5.85	4.42	32.55	
Cash interest protection multiple	7.19	3.13	129.75	
EBITDA-to-interest coverage ratio	7.99	6.04	32.26	
Loan repayment rate (%)	100	100		
Interest payment rate (%)	100	100		

II. Convertible corporate bonds

□Applicable √Not Applicable

Section X. Financial Report

I. Auditor's report

√Applicable Not Applicable

All the shareholders of Zhejiang China Commodities City Group Co., Ltd.

1. Audit opinion

We have audited the financial statements of Zhejiang China Commodities City Group Co., Ltd., including Consolidated & Corporate Balance Sheets as of December 31, 2021, Consolidated & Corporate Income Statements, Consolidated & Corporate Cash Flow Statements, Consolidated & Corporate Statements of Changes in Owner's Equity for 2021 and Notes to the Financial Statements.

We believe that the attached financial statements were prepared according to Accounting Standards for Zhejiang China Commodities City Group Co., Ltd. in all material aspects as a fair reflection of the consolidated and parent company's financial status of Zhejiang China Commodities City Group Co., Ltd. on the December 31, 2021 and the operation outcomes and cash flows of the Company for 2021.

2. Basis of audit opinion

We conducted our audit in accordance with the Auditing Standards for Chinese Certified Public Accountants. The section "CPAs' Responsibility for Audit of Financial Statements" in the audit report further describes on our responsibilities under these standards. In accordance with the CPA Code of Ethics in China, we are independent of Zhejiang China Commodities City Group Co., Ltd. and have performed other responsibilities in respect of professional ethics. We believe that the audit evidence we have acquired is sufficient and effective, providing a reasonable basis for our opinion.

3. Key audit matters

Key audit matters are matters that we believe are the most important matters for the audit of the financial statements for 2018 based on professional judgment. The response to such matters is based on the background of auditing the financial statements as a whole and forming an audit opinion. We do not express independent opinions on such matters. This was also the background for our description for how every matter below was responded in the audit.

We have fulfilled the responsibilities described in the "Certified Accountants' Responsibilities for the Audit of Financial Statements" section of this report, including those related to these key audit matters. Correspondingly, our audit work included the implementation of audit procedures designed to deal with the assessed risk of material misstatement in the financial statements. The results of our audit procedures, including the procedures performed in response to the following key audit matters, provide a basis for the expression of the audit opinion in the financial statements as a whole.

Key audit matters:	Audit response to the matter:
<i>Impairment of non-goodwill long-term assets with certain useful life</i>	
<p>As of December 31, 2021, the book value of the non-goodwill assets with certain useful life in the Group's market and supporting hotels, exhibition halls and commercial buildings, such as the corresponding property, plant and equipment, investment real estate, land use rights, construction in progress, right-of-use assets and long-term deferred expenses (hereinafter collectively referred to as "long-term assets") totaled RMB 13.60020 billion, accounting for 44% of the total book value of the consolidated assets of the Group. When identifying whether the above-mentioned long-term assets have any indications of impairment, and when carrying out impairment tests on the long-term assets with indications of impairment, the Group needs to review the recoverable amount of the asset or asset Group. This requires the management to use major judgments and estimates to determine the estimated future sales income, gross profit, operating costs, the disposal value forecast and discount rate at the end of the useful life of the relevant assets and other key assumptions when predicting the present value of future cash flows. The evaluation process is complicated, so we identify them as key audit matters. Relevant information has been disclosed in Note V. 43 and Notes VII. 20, 21, 22, 25, 26 and 29 to the financial statements.</p>	<p>We reviewed the judgment of the management on the indications of impairment of long-term assets during the audit:</p> <ol style="list-style-type: none"> 1. For long-term assets that involve impairment testing for indications of impairment, we have assessed the reasonableness of the asset Groups identified by the management; 2. With the assistance of internal valuation experts, we assessed the reasonableness of the major assumptions and evaluation methods used by the Group management, like discount rates; 3. We assessed the reasonableness of key assumptions such as estimated sales income, gross profit, operating costs, and disposal value predictions at the end of the useful life of related assets in the future years, and checked basic data on the present value of expected future cash flows with relevant supporting evidence. 4. We compared and analyzed the actual performance of the current year with the predicted performance of the previous year; 5. We checked the adequacy and completeness of the relevant disclosures of the Group in the notes to the financial statements.

4. Other information

Zhejiang China Commodities City Group Co., Ltd.'s management is responsible for other information. Such information includes the information covered by the annual report, but the financial statements and the audit report provided by us are excluded.

Our audit opinion released in the financial statements does not cover other information and we do not release any form of assurance conclusion on other information.

Our responsibility is to read other information in conjunction with our audit of the financial statements. During the process, we consider whether there is a material inconsistency or other material misstatement in the financial statements with the knowledge acquired by us during the audit process.

Based on the work we have performed, if we determine that there is a material misstatement of other information, we should report the fact. We have nothing to report in this aspect.

5. Responsibility of management and governance for financial statements

The management is responsible for preparing financial statements in accordance with the provisions of the Accounting Standards for Business Enterprises to achieve fair reflection, and designing, implementing and maintaining necessary internal controls to prevent these financial statements from material misstatement arising from fraud or error.

During preparing the financial statements, the management is responsible for assessing the sustainable operation capabilities of Zhejiang China Commodities City Group Co., Ltd., disclosing, as applicable, going-concern-related matters and applying the going-concern assumption unless the management plans to liquidate Zhejiang China Commodities City Group Co., Ltd. and discontinue operations or has no other realistic choices.

The governance is responsible for supervising the financial reporting process of Zhejiang China Commodities City Group Co., Ltd.

6. Certified Public Accountants' responsibility for audit of financial statements

Our goal is to obtain reasonable assurance about whether the financial statements are free from material misstatement caused by fraud or error and express an opinion on these financial statements based on our audits. The reasonable assurance is a guarantee at a high level, but there is no guarantee that an audit performed in accordance with the auditing standards will always identify existing material misstatement. Misstatements may be caused by fraud or error. Misstatement is generally considered to be material if it is reasonably expected that the misstatement, alone or aggregated, may affect the financial decision made by the users of the financial statements based on the financial statements.

We applied professional judgment and professional skepticism during conducting audit work in accordance with the Auditing Standards for CPA while performing following works:

- (1) Identifying and evaluating the risk of material misstatements of financial statements for fraud or error designing and implementing audit procedures to deal with these risks and obtaining adequate and appropriate audit evidence as a basis for release of our audit opinion. As fraud may involve collusion, forgery, willful omission, misrepresentation or override of internal control, the risk of not discovering a material misstatement due to fraud is higher than the risk of not discovering a material misstatement resulting from an error.
- (2) Understanding the internal control related to the audit in order to design the appropriate audit procedures.
- (3) Evaluating the appropriateness of the accounting policies selected by management level and the reasonableness of accounting estimates and related disclosures.
- (4) Concluding the appropriateness of management level's use of the going concern assumption while drawing a conclusion as to whether there is any material uncertainty about the issues or circumstances that may cause major doubts about the ability of the Zhejiang China Commodities City Group Co., Ltd. to continue as a going concern on basis of the audit evidence acquired. If we conclude that there is a significant uncertainty, the auditing standards require us to remind user of the statements of the relevant disclosures in the financial statements in the audit report. If the disclosures are inadequate, we should release an unqualified opinion. Our conclusion is based on the information available by the date of the audit report. However, future events or circumstances may result in Zhejiang China Commodities City Group Co., Ltd. being unable to continue as a going concern.
- (5) Evaluating the overall presentation, structure and content (including disclosure) of the financial statements as well as whether the financial statements are a fair reflection of the related transactions and matters.
- (6) Obtaining adequate and appropriate audit evidence on the financial information of the entities or business activities in Zhejiang China Commodities City Group Co., Ltd. to express an opinion on the financial statements. We are responsible for directing, supervising and implementing the Group's audit and assume full responsibility for the audit opinion.

We have communicated with the governance on the matters such as the scope and timing of audit and major audit findings, including the notable defects of internal control identified in our audit.

We also provided a statement to the governance that we had complied with the professional ethics requirements related to independence, and communicated with the governance all relationships and other matters that may be reasonably believed to affect our independence, and related preventive measures (if applicable) .

In the matters communicated with the governance, we determined which matters should be the most important to the audit of the financial statements of the current period, and should

constitute the key audit matters accordingly. We described such matters in the audit report, unless laws and regulations had prohibited public disclosure of these matters, or in rare cases, we determined that such matters should not be communicated in the audit report if the negative consequences of communicating a matter in the audit report are reasonably expected to outweigh the public interests.

Ernst & Young Hua Ming Certified Public Accountants (special general partnership) Chinese
CPA: YIN Guowei
(Project Partner)

Chinese CPA: Huang Zhigang

Beijing, China Mar 22, 2022

II. Financial statements

Consolidated Balance Sheet

December 31, 2021

Prepared by: Zhejiang China Commodities City Group Co., Ltd.

Unit: RMB

Item	Note	December 31, 2021	December 31, 2020
Current assets:			
Monetary capital		4,831,468,386.25	5,612,642,932.21
Held-for-trading financial assets		75,375,083.20	51,712,734.31
Accounts receivable		185,237,530.89	153,573,476.86
Prepayments		875,167,709.48	105,187,528.26
Other receivables		1,355,924,282.96	2,708,478,136.25
In which: interest receivable		92,249,275.44	121,401,210.48
Inventory		1,327,402,567.99	1,329,467,728.17
Other current assets		248,662,219.40	179,724,694.17
Total current assets		8,899,237,780.17	10,140,787,230.23
Non-current assets:			
Long-term receivables		222,307,363.40	126,756,573.81
Long-term equity investment		5,772,455,242.84	3,832,897,502.71
Other equity instruments investment		642,187,968.77	662,256,342.79
Other non-current financial assets		1,524,819,255.41	1,523,925,249.81
Property investment		2,973,936,400.46	1,960,426,291.73
Fixed assets		5,078,590,929.75	5,234,293,786.87
Construction in progress		1,090,577,963.27	982,891,877.14
Right-of-use assets		225,347,077.14	-
Intangible assets		4,043,564,662.35	3,900,780,981.92
Development expenses		6,359,814.02	22,223,061.09
Long-term prepaid expenses		188,184,376.43	110,728,723.36
Deferred income tax assets		135,737,028.89	99,664,328.84
Other non-current assets		211,329,650.45	152,495,196.56
Total non-current assets		22,115,397,733.18	18,609,339,916.63
Total assets		31,014,635,513.35	28,750,127,146.86
Current liabilities:			
Short-term borrowings		942,736,046.04	1,257,179,389.40
Accounts payable		493,360,429.02	636,463,802.23
Advances from customers		153,566,311.13	112,752,897.25
Contract liabilities		4,058,419,224.84	2,442,211,788.88
Payroll payable		243,964,755.38	161,498,997.53
Tax payable		559,496,547.34	495,400,499.73
Other payables		1,908,742,835.15	1,646,345,561.62
Non-current liabilities due within one year		3,664,241,923.08	1,315,026,574.43
Other current liabilities		3,081,384,800.50	3,023,608,041.68
Total current liabilities		15,105,912,872.48	11,090,487,552.75
Non-current liabilities:			
Long-term borrowings		771,250,000.00	282,000,000.00
Bonds payable		-	3,552,161,709.68
Lease liabilities		205,942,673.93	-
Estimated liabilities		110,620,306.10	110,620,306.10
Deferred income		78,170,103.62	26,545,277.30
Deferred income tax liabilities		111,897,463.42	113,602,923.79
Total non-current liabilities		1,277,880,547.07	4,084,930,216.87
Total liabilities		16,383,793,419.55	15,175,417,769.62
Owners' equity (or shareholders' equity)			
Paid-in capital (share capital)		5,491,274,176.00	5,489,914,176.00
Capital reserve		1,631,509,114.96	1,594,906,524.67
Less: treasury stocks		137,494,800.00	137,298,000.00
Other comprehensive income		60,850,735.02	78,149,661.33
Surplus reserve		1,505,209,795.50	1,364,257,808.58
Undistributed profits		6,059,496,846.85	5,168,298,206.50
Total equity attributable to owners (shareholders) of the parent company		14,610,845,868.33	13,558,228,377.08
Minority interest		19,996,225.47	16,481,000.16
Total owners' equity (or shareholders' equity)		14,630,842,093.80	13,574,709,377.24
Total liabilities and owners' equity (or shareholders' equity)		31,014,635,513.35	28,750,127,146.86

Legal Representative: Zhao Wenge Person in Charge of Finance: Wang Dong Head of Finance
Department: Zhao Difang

Balance Sheet of Parent Company

December 31, 2021

Prepared by: Zhejiang China Commodities City Group Co., Ltd.

Unit: RMB

Item	Note	December 31, 2021	December 31, 2020
Current assets:			
Monetary capital		4,327,117,133.34	5,435,867,497.50
Held-for-trading financial assets		1,484.70	6,632.72
Accounts receivable		23,629,682.69	14,671,577.47
Prepayments		11,213,809.02	29,452,445.04
Other receivables		1,207,086,885.99	2,651,640,610.06
In which: interest receivable		92,249,275.44	121,401,210.48
Inventory		7,308,939.20	10,144,965.06
Other current assets		3,282,706,248.36	3,082,340,716.76
Total current assets		8,859,064,183.30	11,224,124,444.61
Non-current assets:			
Long-term receivables		41,668,837.64	61,250,000.00
Long-term equity investment		8,246,000,020.80	6,083,135,428.02
Other equity instruments investment		642,187,968.77	662,256,342.79
Other non-current financial assets		179,632,207.32	266,722,811.41
Property investment		2,533,374,736.14	1,501,734,504.79
Fixed assets		4,333,691,395.01	4,444,239,239.28
Construction in progress		936,297,029.41	856,248,099.10
Right-of-use assets		118,591,035.63	-
Intangible assets		3,878,208,204.47	3,777,092,772.41
Long-term prepaid expenses		165,720,500.56	58,705,952.97
Deferred income tax assets		122,565,730.38	85,739,381.21
Other non-current assets		65,607,343.55	-
Total non-current assets		21,263,545,009.68	17,797,124,531.98
Total assets		30,122,609,192.98	29,021,248,976.59
Current liabilities:			
Short-term borrowings		942,736,046.04	1,257,179,389.40
Accounts payable		349,268,967.90	444,254,309.61
Advances from customers		104,805,243.57	97,380,931.49
Contract liabilities		3,029,673,931.75	2,283,994,068.70
Payroll payable		203,724,767.47	131,469,702.81
Tax payable		527,641,861.33	546,100,633.28
Other payables		1,596,947,195.91	1,333,312,494.36
Non-current liabilities due within one year		3,656,595,072.25	1,315,026,574.43
Other current liabilities		3,452,451,678.36	3,556,664,822.79
Total current liabilities		13,863,844,764.58	10,965,382,926.87
Non-current liabilities:			
Long-term borrowings		771,250,000.00	282,000,000.00
Bonds payable		-	3,552,161,709.68
Lease liabilities		113,367,062.05	-
Estimated liabilities		110,620,306.10	110,620,306.10
Deferred income		78,170,103.62	26,545,277.30
Deferred income tax liabilities		43,870,176.87	69,623,249.14
Total non-current liabilities		1,117,277,648.64	4,040,950,542.22
Total liabilities		14,981,122,413.22	15,006,333,469.09
Owners' equity (or shareholders' equity)			
Paid-in capital (share capital)		5,491,274,176.00	5,489,914,176.00
Capital reserve		1,866,141,278.50	1,833,256,515.22
Less: treasury stocks		137,494,800.00	137,298,000.00
Other comprehensive income		66,421,903.33	81,473,183.84
Surplus reserve		1,505,156,319.67	1,364,204,332.75
Undistributed profits		6,349,987,902.26	5,383,365,299.69
Total owners' equity (or shareholders' equity)		15,141,486,779.76	14,014,915,507.50
Total liabilities and owners' equity (or shareholders' equity)		30,122,609,192.98	29,021,248,976.59

Legal Representative: Zhao Wenge Person in Charge of Finance: Wang Dong Head of Finance
Department: Zhao Difang

Consolidated Income Statement
January-December 2021

Unit: RMB

Item	Note	2021	2020
I. Gross revenue		6,033,842,972.95	3,725,686,100.39
In which: operating revenue		6,033,842,972.95	3,725,686,100.39
II. Gross cost		5,037,812,165.29	2,797,025,785.03
In which: Operating cost		4,027,543,138.56	1,811,136,443.99
Taxes and surcharges		161,759,208.82	165,885,982.83
Sales expenses		204,745,974.57	241,889,186.44
Administrative expenses		453,543,427.80	377,516,845.45
R&D expenses		10,308,801.84	18,507,626.99
Financial expenses		179,911,613.70	182,089,699.33
In which: interest expenses		341,313,765.39	416,095,890.57
Interest income		177,964,682.68	230,212,773.93
Plus: other income		23,556,948.01	17,986,332.14
Investment income (loss is indicated by "-")		634,227,991.02	524,214,123.84
In which: income from investment in associates and joint ventures		599,180,325.58	34,968,640.68
Changes in fair value (loss is indicated by "-")		7,231,321.84	-32,955,861.63
Credit impairment loss (loss is indicated by "-")		-7,299,694.67	-2,282,683.90
Income from disposal of assets (loss is indicated by "-")		76,006.41	8,180,591.72
III. Operating profit (loss is indicated by "-")		1,653,823,380.27	1,443,802,817.53
Plus: income from non-operating activities		5,766,372.46	4,425,072.97
Less: expenses from non-operating activities		2,895,928.76	26,636,816.07
IV. Profits before tax (loss is indicated by "-")		1,656,693,823.97	1,421,591,074.43
Less: income tax		327,525,237.95	499,755,019.22
V. Net profits (net loss is indicated by "-")		1,329,168,586.02	921,836,055.21
(I) Categorized by continuity of operation			
Net profits from continuing operation (net loss is indicated by "-")		1,329,168,586.02	921,836,055.21
(II) Categorized by ownership			
Net profits attributable to shareholders of the parent company (net loss is indicated by "-")		1,334,095,906.95	926,626,706.42
Minority interest (net loss is indicated by "-")		-4,927,320.93	-4,790,651.21
VI. Other comprehensive income, net of tax		-17,256,380.07	11,916,631.45
(I) Other comprehensive income attributable to owners of the parent company, net of tax		-17,298,926.31	11,882,468.59
1. Other comprehensive income that cannot be reclassified as profits or loss		-15,051,280.51	15,051,280.51
(3) Changes in fair value of investments in other equity instruments		-15,051,280.51	15,051,280.51
2. Other comprehensive income that will be reclassified as profits or loss		-2,247,645.80	-3,168,811.92
(6) Difference arising from the translation of foreign currency financial statements		-2,247,645.80	-3,168,811.92
(2) After -tax net of other comprehensive income attributable to minority shareholders		42,546.24	34,162.86
VII. Total comprehensive income		1,311,912,205.95	933,752,686.66
(I) Total comprehensive income attributable to owners of the parent company		1,316,796,980.64	938,509,175.01
(II) Total comprehensive income attributable to minority shareholders		-4,884,774.69	-4,756,488.35
VIII. Earnings per share:			
(I) Basic earnings per share		0.25	0.17
(II) Diluted earnings per share		0.25	0.17

For merger of the enterprises under common control during the current period, net profits of the merged party prior to the merger were RMB 0, and net profits of the merged party during the previous period were RMB 0.

Legal Representative: Zhao Wenge Person in Charge of Finance: Wang Dong Head of Finance Department: Zhao Difang

Income Statement of Parent Company

January-December 2021

Unit: RMB

Item	Note	2021	2020
I. Operating revenue		2,922,125,402.93	3,004,461,701.48
Less: Operating cost		1,062,881,897.31	1,057,141,636.22
Taxes and surcharges		132,198,523.20	132,358,447.92
Sales expenses		158,004,638.76	239,654,404.97
Administrative expenses		239,151,835.56	214,977,084.50
Financial expenses		175,493,659.20	187,866,954.47
In which: interest expenses		341,313,765.39	416,572,917.39
Interest income		177,964,682.68	230,214,546.47
Plus: other income		13,716,900.72	8,780,068.91
Investment income (loss is indicated by "-")		598,320,996.73	658,729,792.04
In which: income from investment in associates and joint ventures		544,982,046.87	64,824,176.63
Changes in fair value (loss is indicated by "-")		-83,904,126.09	-103,343,955.11
Credit impairment loss (loss is indicated by "-")		-989,960.58	205,158.05
Income from disposal of assets (loss is indicated by "-")		-32,610.97	7,092,990.67
II. Operating profits (loss is indicated by "-")		1,681,506,048.71	1,743,927,227.96
Plus: income from non-operating activities		5,508,893.78	2,350,534.71
Less: expenses from non-operating activities		3,187,712.27	20,162,609.18
III. Profits before tax (loss is indicated by "-")		1,683,827,230.22	1,726,115,153.49
Less: income tax		274,307,361.05	445,206,185.75
IV. Net profits (net loss is indicated by "-")		1,409,519,869.17	1,280,908,967.74
(I) Categorized by continuity of operation (net loss is indicated by "-")		1,409,519,869.17	1,280,908,967.74
V. Other comprehensive income, net of tax		-15,051,280.51	15,051,280.51
(I) Other comprehensive income that cannot be reclassified as profit or loss		-15,051,280.51	15,051,280.51
3. Changes in fair value of investments in other equity instruments		-15,051,280.51	15,051,280.51
VI. Total comprehensive income		1,394,468,588.66	1,295,960,248.25

Legal Representative: Zhao Wenge
Head of Finance Department: Zhao Difang

Person in Charge of Finance: Wang Dong

Consolidated Cash Flow Statement
January-December 2021

Unit: RMB

Item	Note	2021	2020
I. Cash flow from operating activities:			
Cash received from sale of goods and rendering of services		8,099,404,766.59	4,448,611,152.91
Cash received for taxes and surcharges refunded		-	4,456,323.70
Other cash receipts relating to operating activities		525,408,330.58	408,789,146.30
Sub-total of cash inflow from operating activities		8,624,813,097.17	4,861,856,622.91
Cash paid for goods and services		4,655,490,266.98	2,379,428,567.25
Cash paid to and on behalf of employees		551,082,829.16	585,624,913.63
Payments of taxes		786,973,453.98	473,925,483.80
Other cash payments relating to operating activities		598,184,039.29	594,089,396.28
Sub-total of cash outflow from operating activities		6,591,730,589.41	4,033,068,360.96
Net cash flow from operating activities		2,033,082,507.76	828,788,261.95
II. Cash flow from investing activities:			
Cash received from recovery of investment		6,124,327,288.57	13,116,015,960.26
Cash received from investment income		325,898,607.79	297,606,559.61
Net cash received from disposal of property, plant and equipment, intangible assets and other long-term assets		44,446,864.25	10,313,579.94
Net cash received from disposal of subsidiaries and other business units		-	192,466,418.65
Other cash receipts relating to investing activities		3,746,899,831.00	4,450,486,259.27
Sub-total of cash inflow from investing activities		10,241,572,591.61	18,066,888,777.73
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		2,042,626,824.44	1,212,154,493.64
Cash paid to acquire investments		4,915,716,783.24	13,865,803,003.64
Other cash paid related to investing activities		1,632,462,005.00	2,352,817,932.28
Sub-total of cash outflow from investing activities		8,590,805,612.68	17,430,775,429.56
Net cash flow from investing activities		1,650,766,978.93	636,113,348.17
III. Cash flow from financing activities:			
Cash received for investment taking		13,992,600.00	156,298,000.00
Including: cash received by subsidiaries from absorbing minority shareholders' investment		8,400,000.00	19,000,000.00
Cash received from borrowings		12,319,250,000.00	13,142,000,000.00
Sub-total of cash inflow from financing activities		12,333,242,600.00	13,298,298,000.00
Cash paid for debts repayment		13,344,000,000.00	15,552,228,773.17
Cash paid for distribution of dividends or profits or payment of interest		650,819,017.71	537,445,865.52
In which: dividends or profits paid by subsidiaries to minority shareholders		-	114,400.00
Other cash paid related to financing activities		40,358,783.07	64,460,000.00
Sub-total of cash outflow from financing activities		14,035,177,800.78	16,154,134,638.69
Net cash flow from financing activities		-1,701,935,200.78	-2,855,836,638.69
IV. Effect of foreign exchange rate changes on cash and cash equivalents			
		-8,088,832.07	-3,134,649.06
V. Net increase in cash and cash equivalents			
Plus: opening balance of cash and cash equivalents		1,973,825,453.84	-1,394,069,677.63
		2,032,642,871.63	3,426,712,549.26
VI. Closing balance of cash and cash equivalents			
		4,006,468,325.47	2,032,642,871.63

Legal Representative: Zhao Wenge Person in Charge of Finance: Wang Dong
Head of Finance Department: Zhao Difang

Cash Flow Statement of Parent Company
January-December 2021

Unit: RMB

Item	Note	2021	2020
I. Cash flow from operating activities:			
Cash received from sale of goods and rendering of services		3,748,589,385.84	2,446,781,848.92
Cash received for taxes and surcharges refunded		-	1,149,176.75
Other cash receipts relating to operating activities		349,377,861.57	241,467,188.43
Sub-total of cash inflow from operating activities		4,097,967,247.41	2,689,398,214.10
Cash paid for goods and services		571,281,536.76	556,362,710.98
Cash paid to and on behalf of employees		353,270,873.06	401,702,437.14
Payments of taxes		691,067,319.78	258,399,863.90
Other cash payments relating to operating activities		674,684,402.42	450,114,859.64
Sub-total of cash outflow from operating activities		2,290,304,132.02	1,666,579,871.66
Net cash flow from operating activities		1,807,663,115.39	1,022,818,342.44
II. Cash flow from investing activities:			
Cash received from recovery of investment		6,200,000,000.00	13,081,060,305.96
Cash received from investment income		327,497,449.71	225,062,189.56
Net cash received from disposal of property, plant and equipment, intangible assets and other long-term assets		42,475,671.66	474,396.78
Net cash received from disposal of subsidiaries and other business units		-	2,232,000,000.00
Other cash receipts relating to investing activities		3,746,899,831.00	2,775,280,817.96
Sub-total of cash inflow from investing activities		10,316,872,952.37	18,313,877,710.26
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		1,973,252,137.98	1,192,740,121.04
Cash paid to acquire investments		5,193,070,000.00	14,745,855,008.73
Other cash paid related to investing activities		1,632,462,005.00	2,007,512,948.00
Sub-total of cash outflow from investing activities		8,798,784,142.98	17,946,108,077.77
Net cash flow from investing activities		1,518,088,809.39	367,769,632.49
III. Cash flow from financing activities:			
Cash received for investment taking		5,592,600.00	137,298,000.00
Cash received from borrowings		12,319,250,000.00	13,142,000,000.00
Sub-total of cash inflow from financing activities		12,324,842,600.00	13,279,298,000.00
Cash paid for debts repayment		13,344,000,000.00	15,552,228,773.17
Cash paid for distribution of dividends or profits or payment of interest		650,819,017.71	537,331,465.52
Other cash paid related to financing activities		14,525,871.43	-
Sub-total of cash outflow from financing activities		14,009,344,889.14	16,089,560,238.69
Net cash flow from financing activities		-1,684,502,289.14	-2,810,262,238.69
IV. Effect of foreign exchange rate changes on cash and cash equivalents			
			-
V. Net increase in cash and cash equivalents			
Plus: opening balance of cash and cash equivalents		1,641,249,635.64	-1,419,674,263.76
		1,885,867,436.92	3,305,541,700.68

VI. Closing balance of cash and cash equivalents		3,527,117,072.56	1,885,867,436.92
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Legal Representative: Zhao Wenge
of Finance Department: Zhao Difang

Person in Charge of Finance: Wang Dong

Head

Statement of Changes in Consolidated Owners' Equity
January-December 2021

Unit: RMB

Item	2021								
	Equity attributable to owners of the parent company							Minority interest	Total owners' equity
	Paid-in capital (share capital)	Capital reserve	Less: treasury stocks	Other comprehensive income	Surplus reserve	Undistributed profits	Sub-total		
1. Balance at the end of previous year	5,489,914,176.00	1,594,906,524.67	137,298,000.00	78,149,661.33	1,364,257,808.58	5,168,298,206.50	13,558,228,377.08	16,481,000.16	13,574,709,377.24
II. Opening balance of the current year	5,489,914,176.00	1,594,906,524.67	137,298,000.00	78,149,661.33	1,364,257,808.58	5,168,298,206.50	13,558,228,377.08	16,481,000.16	13,574,709,377.24
III. Change in the period (decrease is indicated by "-")	1,360,000.00	36,602,590.29	196,800.00	-17,298,926.31	140,951,986.92	891,198,640.35	1,052,617,491.25	3,515,225.31	1,056,132,716.56
(I) Total comprehensive income	-	-	-	-17,298,926.31	-	1,334,095,906.95	1,316,796,980.64	-4,884,774.69	1,311,912,205.95
(II) Owners' contribution to and reduction in capital	1,360,000.00	32,884,763.28	196,800.00	-	-	-	34,047,963.28	8,400,000.00	42,447,963.28
1. Common shares contributed by owners	1,360,000.00	1,351,400.00	196,800.00	-	-	-	2,514,600.00	8,400,000.00	10,914,600.00
3. Amount of share-based payment into owner's equity	-	31,533,363.28	-	-	-	-	31,533,363.28	-	31,533,363.28
(III) Profits distribution	-	-	-	-	140,951,986.92	-442,897,266.60	-301,945,279.68	-	-301,945,279.68
1. Withdrawal of surplus reserve	-	-	-	-	140,951,986.92	-140,951,986.92	-	-	-
3. Distribution to owners (or shareholders)	-	-	-	-	-	-301,945,279.68	-301,945,279.68	-	-301,945,279.68
(VI) Others	-	3,717,827.01	-	-	-	-	3,717,827.01	-	3,717,827.01
IV. Closing balance of the current period	5,491,274,176.00	1,631,509,114.96	137,494,800.00	60,850,735.02	1,505,209,795.50	6,059,496,846.85	14,610,845,868.33	19,996,225.47	14,630,842,093.80

Item	2020								
	Equity attributable to owners of the parent company							Minority interest	Total owners' equity

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	Paid-in capital (share capital)	Capital reserve	Less: treasury stocks	Other comprehensive income	Surplus reserve	Undistributed profits	Sub-total		
I. Balance at the end of previous year	5,443,214,176.00	1,524,183,779.64	-	66,267,192.74	1,236,166,911.81	4,750,787,389.17	13,020,619,449.36	63,679,633.85	13,084,299,083.21
II. Opening balance of the current year	5,443,214,176.00	1,524,183,779.64	-	66,267,192.74	1,236,166,911.81	4,750,787,389.17	13,020,619,449.36	63,679,633.85	13,084,299,083.21
III. YoY change (decrease is indicated by "-")	46,700,000.00	70,722,745.03	137,298,000.00	11,882,468.59	128,090,896.77	417,510,817.33	537,608,927.72	-47,198,633.69	490,410,294.03
(I) Total comprehensive income	-	-	-	11,882,468.59	-	926,626,706.42	938,509,175.01	-4,756,488.35	933,752,686.66
(II) Owners' contribution to and reduction in capital	46,700,000.00	70,905,533.03	137,298,000.00	-	-	-	-19,692,466.97	-42,327,745.34	-62,020,212.31
1. Common shares contributed by owners	46,700,000.00	90,598,000.00	137,298,000.00	-	-	-	-	19,000,000.00	19,000,000.00
3. Amount of share-based payment into owner's equity	-	1,880,981.38	-	-	-	-	1,880,981.38	17,483.68	1,898,465.06
4 · Others	-	-21,573,448.35	-	-	-	-	-21,573,448.35	-61,345,229.02	-82,918,677.37
(III) Profits distribution	-	-	-	-	128,090,896.77	-509,115,889.09	-381,024,992.32	-114,400.00	-381,139,392.32
1. Withdrawal of surplus reserve	-	-	-	-	128,090,896.77	-128,090,896.77	-	-	-
3. Distribution to owners (or shareholders)	-	-	-	-	-	-381,024,992.32	-381,024,992.32	-114,400.00	-381,139,392.32
(VI) Others	-	-182,788.00	-	-	-	-	-182,788.00	-	-182,788.00
IV. Closing balance of the current period	5,489,914,176.00	1,594,906,524.67	137,298,000.00	78,149,661.33	1,364,257,808.58	5,168,298,206.50	13,558,228,377.08	16,481,000.16	13,574,709,377.24

Legal Representative: Zhao Wenge

Person in Charge of Finance: Wang Dong

Head of Finance Department: Zhao Difang

Statement of Changes in Owners' Equity of Parent Company

January-December 2021

Unit: RMB

Item	2021							Total owners' equity
	Paid-in capital (share capital)	Capital reserve	Less: treasury stocks	Other comprehensive income	Surplus reserve	Undistributed profits		
I. Balance at the end of previous year	5,489,914,176.00	1,833,256,515.22	137,298,000.00	81,473,183.84	1,364,204,332.75	5,383,365,299.69		14,014,915,507.50

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II. Opening balance of the current year	5,489,914,176.00	1,833,256,515.22	137,298,000.00	81,473,183.84	1,364,204,332.75	5,383,365,299.69	14,014,915,507.50
III. Change in the period (decrease is indicated by "-")	1,360,000.00	32,884,763.28	196,800.00	-15,051,280.51	140,951,986.92	966,622,602.57	1,126,571,272.26
(I) Total comprehensive income	-	-	-	-15,051,280.51	-	1,409,519,869.17	1,394,468,588.66
(II) Owners' contribution to and reduction in capital	1,360,000.00	32,884,763.28	196,800.00	-	-	-	34,047,963.28
1. Common shares contributed by owners	1,360,000.00	1,351,400.00	196,800.00	-	-	-	2,514,600.00
3. Amount of share-based payment into owner's equity	-	31,533,363.28	-	-	-	-	31,533,363.28
(III) Profits distribution	-	-	-	-	140,951,986.92	-442,897,266.60	-301,945,279.68
1. Withdrawal of surplus reserve	-	-	-	-	140,951,986.92	-140,951,986.92	-
2. Distribution to owner (or shareholders)	-	-	-	-	-	-301,945,279.68	-301,945,279.68
IV. Closing balance of the current period	5,491,274,176.00	1,866,141,278.50	137,494,800.00	66,421,903.33	1,505,156,319.67	6,349,987,902.26	15,141,486,779.76

Item	2020						
	Paid-in capital (share capital)	Capital reserve	Less: treasury stocks	Other comprehensive income	Surplus reserve	Undistributed profits	Total owners' equity
I. Balance at the end of previous year	5,443,214,176.00	1,489,516,614.19	-	66,421,903.33	1,236,113,435.98	4,363,644,248.36	12,598,910,377.86
II. Opening balance of the current year	5,443,214,176.00	1,489,516,614.19	-	66,421,903.33	1,236,113,435.98	4,363,644,248.36	12,598,910,377.86
III. Change in the period (decrease is indicated by "-")	46,700,000.00	343,739,901.03	137,298,000.00	15,051,280.51	128,090,896.77	1,019,721,051.33	1,416,005,129.64
(I) Total comprehensive income	-	-	-	15,051,280.51	-	1,280,908,967.74	1,295,960,248.25
(II) Owners' contribution to and reduction in capital	46,700,000.00	343,739,901.03	137,298,000.00	-	-	-	253,141,901.03
1. Common shares contributed by owners	46,700,000.00	90,598,000.00	137,298,000.00	-	-	-	-
3. Amount of share-based payment into owner's equity	-	1,880,981.38	-	-	-	-	1,880,981.38
4. Others	-	251,260,919.65	-	-	-	-	251,260,919.65
(III) Profits distribution	-	-	-	-	128,090,896.77	-509,115,889.09	-381,024,992.32
1. Withdrawal of surplus reserve	-	-	-	-	128,090,896.77	-128,090,896.77	-
2. Distribution to owner (or shareholders)	-	-	-	-	-	-381,024,992.32	-381,024,992.32
(VI) Others	-	-	-	-	-	247,927,972.68	247,927,972.68
IV. Closing balance of the current period	5,489,914,176.00	1,833,256,515.22	137,298,000.00	81,473,183.84	1,364,204,332.75	5,383,365,299.69	14,014,915,507.50

Legal Representative: Zhao Wenge

Person in Charge of Finance: Wang Dong

Head of Finance Department: Zhao Difang

III. Basic information of the Company

1. Company profile

Applicable Not Applicable

Zhejiang China Commodities City Group Co., Ltd. (the "Company") is a company limited by share and was incorporated on Dec 28, 1993 in Zhejiang province of the People's Republic of China. The RMB-denominated common A shares issued by the Company got listed on Shanghai Stock Exchange on May 9, 2002. The Company is headquartered at No.105 Futian Road, Yiwu, Zhejiang.

The Group's main business activities: market development and operation and supporting services, sales of commodities, provision of online trading platforms and services, development and management of online trading market, etc., in the category of comprehensive services.

The parent company of the Group is Yiwu China Commodities City Holdings Limited (hereinafter referred to as "CCCH") and the final controller of the Group is the State-owned Assets Supervision and Administration Office of the People's Government of Yiwu.

The Financial Statements were approved by the Company's Board of Directors on March 22, 2022. According to the Company's articles of association, these financial statements are to be submitted to the general meeting of shareholders for deliberation.

2. Consolidation scope of financial statements

Applicable Not Applicable

The consolidation of financial statements is determined on the basis of control. For the changes in the current year, please refer to Note VIII. Changes in consolidation scope.

IV. Basis of preparation of financial statements

1. Basis of preparation

The financial statements of the Company were prepared on a going-concern basis.

The financial statements were prepared in accordance with the Accounting Standards for Enterprises-Basic Standards and the specific accounting standards, application guidelines, interpretations and other related regulations promulgated and amended thereafter (collectively referred to as "Accounting Standards").

The financial statements were all prepared based on the valuation principle of historical cost, except for certain financial instruments. In case of assets impairment, corresponding impairment provision was made in accordance with relevant provisions.

2. Going concern

Applicable Not Applicable

The Company prepared its financial statements on a going-concern basis. The management of the Company expected that the Group would generate adequate cash inflow from the future day-to-day operation, which in combination with the Group's adequate lines of credit from banks could be sufficient to repay its due debts.

V. Important Accounting Policies and Accounting Estimates

Reminders on specific accounting policies and accounting estimates:

Applicable Not Applicable

The Group has formulated specific accounting policies and accounting estimates based on the characteristics of actual production and operation, which are mainly reflected in the bad debt provisions for receivables, inventory valuation methods, depreciation of fixed assets, amortization of intangible assets, income recognition and measurement, recognition of property investments and fixed assets, and service life and residual value of fixed assets.

1. Statement of compliance with the Accounting Standards

The financial statements prepared by the Company comply with the requirements of the Accounting Standards, and truly and completely reflect the Company's financial conditions, operating results, changes in shareholders' equity, cash flows and other related information.

2. Accounting period

The Company's accounting year is from Jan 1 to Dec 31 of each calendar year.

3. Operating cycle

Applicable Not Applicable

The business cycle of the Company is relatively short, and 12 months are used as the standard for defining the liquidity of assets and liabilities.

4. Functional currency

The Company's functional currency is RMB. The Group uses RMB as its functional currency and in the preparation of financial statements. Unless specifically stated, all amounts are expressed in RMB.

5. Accounting methods for merger of the enterprises under common control and merger of the enterprises not under common control

Applicable Not Applicable

The mergers of enterprises are divided into the mergers of the enterprises under common control and mergers of the enterprises not under common control.

Mergers of the enterprises under common control

Merger of the enterprises under common control refers to the merger of the enterprises that are under ultimate control of the same party or parties before and after the merger and the control is not temporary. For a merger of the enterprises under common control, the party obtaining control over the other(s) involved in the merger on the date of merger is the merging party and the other(s) is(are) the merged party. The date of merger refers to the date when the merging party actually obtains control over the merged party.

The assets and liabilities acquired by the merging party in a merger of the enterprises under common control (including the goodwill formed through the acquisition of the merged party by the ultimate controller) are accounted according to the book value thereof in the ultimate controller's financial statements on the date of merger. For the difference between the book value of the net assets obtained by the merging party and the book value of the consideration paid for the merger (or the total nominal value of the shares issued), the share capital premium in the capital reserve shall be adjusted; if the share capital premium is not sufficient to absorb the difference, the retained earnings shall be adjusted.

Mergers of the enterprises not under common control

Merger of the enterprises not under common control refers to the merger of the enterprises that are not under ultimate control of the same party or parties before and after the merger. For a merger of the enterprises not under common control, the party obtaining control over the other(s) involved in the merger on the date of acquisition is the acquirer and the other(s) is(are) the acquiree. The date of acquisition refers to the date when the acquirer actually obtains control over the acquiree.

The acquiree's identifiable assets, liabilities and contingent liabilities obtained from the merger of the enterprises not under common control are measured at their fair values on the date of acquisition.

If the sum of the fair value of the consideration paid for the merger (or fair value of the equity securities issued) and the fair value of the acquiree's equity held before the date of acquisition is higher than the share in the fair value of the acquiree's identifiable net assets acquired from the merger, the difference between them is recognized as goodwill, which will be subsequently measured by the cost less accumulated impairment loss. If the sum of the fair value of the consideration paid for the merger (or fair value of the equity securities issued) and the fair value of the acquiree's equity held before the date of acquisition is lower than the share in the fair value of the acquiree's identifiable net assets acquired from the merger, the measurement of the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities, the fair value of the consideration paid for the merger (or fair value of the equity securities issued) and the fair value of the acquiree's equity held before the date of acquisition will be reviewed, and if the sum of the fair value of the consideration paid for the merger (or fair value of the equity securities issued) and the fair value of the acquiree's equity held before the date of acquisition is still lower than the share in the fair value of the acquiree's identifiable net assets acquired from the merger after such review, the difference will be recognized in the profit or loss for the current period.

For mergers of the enterprises not under common control that are executed through multiple transactions, the long-term equity investment of the acquiree before the date of acquisition shall be re-measured based on the fair value thereof on the date of acquisition and any difference between the fair value and book value thereof shall be recognized in the profit or loss for the current period; other comprehensive income from the long-term equity investment of the acquiree before the date of acquisition under the equity method shall be accounted on the same basis as that for the direct disposal of related assets or liabilities by the investee, and other changes in shareholders' equity than net gains or losses, other comprehensive income and profit distribution shall be recognized in the profit or loss for the period where the date of acquisition falls.

6. Preparation method of consolidated financial statements

Applicable Not Applicable

The financial statements to be consolidated is determined on the basis of control, including those of the Company and all of its subsidiaries. Subsidiaries refer to the entities controlled by the Company (including the severable parts of enterprises and invested entities, and the structured entities controlled by the Company).

In the preparation of consolidated financial statements, the subsidiaries adopt the same accounting year and accounting policies as those adopted by the Company. Assets, liabilities, equity, income, expenses and cash flows generated from all deals between companies within the Group are fully offset at the time of merger.

If the amount of loss for the current period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' share in the opening balance of shareholders' equity in the subsidiary, the excess will still be recognized against minority interest.

For a subsidiary acquired through a business merger not under the same control, the operating results and cash flows of the acquiree will be included in the consolidated financial statements from the day when the Group acquires control, until the control of the Group ceases. In the preparation of consolidated financial statements, adjustments will be made to the financial statements of the subsidiary based on the fair value of its identifiable assets, liabilities or contingent liabilities determined on the date of acquisition.

For a subsidiary acquired through a business merger under the same control, the operating results and cash flows of merged party will be included in the consolidated financial statements since the beginning of the current period of the merger. In the preparation of consolidated financial statements, adjustments will be made to the related items in its previous financial statements as if the reporting entity formed after the merger has been existing as from the ultimate controller starts to exercise control.

In case of any change to one or more elements of the control due to the changes in related facts and circumstances, the Group will re-evaluate whether to control the investee.

7. Classification of joint arrangements and accounting treatment of joint operations

Applicable Not Applicable

Joint arrangements are divided into joint operations and joint ventures. Joint operation refers to a joint arrangement in which the parties thereto enjoy the assets relating to such arrangement and assume the liabilities relating to such arrangement. Joint venture refers to a joint arrangement in which the parties thereto only enjoy rights to the net assets in this arrangement.

Each party to a joint arrangement recognizes the following items relating to its share in the joint operation: assets held individually by it and assets held jointly based on its share; liabilities assumed individually by it and liabilities assumed jointly based on its share; revenue from the sale of its share in the output of the joint operation; revenue from the sale of the output of the joint operation based on its share; expenses incurred individually by it and expenses incurred by the joint operation based on its share.

8. Criteria for the identification of cash and cash equivalents

Cash refers to the Group's cash on hand and deposits that can be used for payment at any time; cash equivalent refers to the investment held by the Group with a short term, strong liquidity, easy to convert into cash with a known amount, and with low risk of value changes.

9. Foreign currency transactions and translation of foreign currency financial statements

Applicable Not Applicable

For foreign currency transactions, the Group will translate the foreign currency amounts into its functional currency amounts.

In the initial recognition of a foreign currency transaction, the foreign currency amount is translated to a functional currency amount according to the spot exchange rate on the date of transaction. On the balance sheet date, the foreign currency monetary items are translated according to the spot exchange rate on the balance sheet date. The translation difference between settlement and monetary items is recognized in the profit or loss for the current period, except for the difference arising from the special foreign currency borrowing relating to the acquisition and construction of the assets qualified for capitalization, which will be treated based on the principles for the capitalization of borrowing expenses. The foreign currency non-monetary items measured by historical cost are also translated according to the spot exchange rate on the date of transaction, without changing the functional currency amounts thereof. The foreign currency non-monetary items measured by fair value are translated according to the spot exchange rate on the fair value determination date and the difference arising therefrom is recognized in the profit or loss or other comprehensive income for the current period based on the nature of the items.

The Group translates the functional currency of its foreign business into RMB while preparing the financial statements. The assets and liabilities items in the balance sheet are translated according to the spot exchange rate on the balance sheet date, the shareholders' equity items are translated according to the spot exchange rate at the occurrence of the items except for "undistributed profits"; revenue and expenses items in the income statement are translated according to the average exchange rate during the period in which the transaction happens. The translation differences of foreign currency statements arising from the above translations are recognized as other comprehensive income. For the disposal of foreign business, other comprehensive income relating to the foreign business is recognized in the profit or loss of the disposal for the current period and is calculated pro rata for partial disposal.

The foreign currency cash flow and cash flow of foreign subsidiaries are translated according to the spot exchange rate on the occurrence date of cash flow/average exchange rate during the period in which the cash flow occurs. The amount of impact of the changes in exchange rate on cash is separately stated in the cash flow statement as an adjustment item.

10. Financial instruments

√Applicable □Not Applicable

Financial instruments refer to the contracts which form financial assets of an enterprise and form financial liabilities or equity instruments of other entities.

Recognition and de-recognition of financial instruments

The Group recognizes a financial asset or financial liability at the time of becoming a party to a financial instrument contract.

The Group will derecognize a financial asset (or a part of the financial asset or a part of a Group of similar financial assets), i.e. writing off the asset from its account and balance sheet, if:

(1) the right to collect cash flow from the financial asset has expired;

(2) The right to collect cash flows of financial assets has been transferred, or the obligation to pay the collected cash flows in full and in time to a third party under the "handover agreement" has been undertaken; and (a) all risks and rewards in the ownership of the financial assets have been substantially transferred, or (b) almost all risks and rewards in the ownership of the financial asset have been neither transferred nor retained, but control of the financial asset has been waived.

If a financial liability has been fulfilled, revoked or expired, it will be derecognized. If an existing financial liability is replaced by the same creditor with another financial liability under substantially different terms or the terms of the existing liability are substantially modified in whole, the existing liability will be derecognized and the new liability will be recognized, and the difference will be recognized in the profit or loss for the current period.

For the transactions of financial assets in regular ways, the recognition and de-recognition thereof will be conducted based on the accounting on the transaction date. Transactions of financial assets in regular ways refer to the collection or delivery of financial assets within the time limit prescribed by laws and regulation or prevailing practices in accordance with the contract terms. The transaction date refers to the date when the Group promises to buy or sell the financial assets.

Classification and measurement of financial assets

Based on the Group's business model for the management of financial assets and the features of the contractual cash flow of financial assets, the Group's financial assets are classified at initial recognition into the financial assets that are measured by fair value and of which the changes in fair

value are recognized in the profit or loss for the current period, the financial assets measured by amortized cost and the financial assets that are measured by fair value and of which the changes in fair value are recognized in other comprehensive income.

If a financial asset is measured by fair value at initial recognition, but the accounts receivable or notes receivable from the sale of goods or rendering of service do not include significant financing components or the financing components with a term no longer than one year are not considered, the initial measurement will be made based on the transaction price.

For the financial assets that are measured by fair value and of which the changes in fair value are recognized in the profit or loss for the current period, the related transaction fees will be directly recognized in the profit or loss for the current period; the related transaction fees of other financial assets will be recognized in the initially recognized amounts thereof.

The subsequent measurement of financial assets depends on the classification thereof:

Investment in debt instruments measured by amortized cost

A financial asset is classified into those measured by amortized cost, if the business model for the management of the asset is for the purpose of collecting contractual cash flow; and the terms of the contract of the asset stipulate that the cash flow generated on the specific date is only the repayment of principal and the payment of interest on the outstanding principal. The interest income of such financial assets is recognized with the effective interest method, and the gains or losses from the de-recognition, modification or impairment thereof are all recognized in the profit or loss for the current period.

Investment in the equity instruments that are measured by fair value and of which the changes in fair value are recognized in other comprehensive income

The Group has irrevocably chosen to designate some non-trading equity instrument investments as the financial assets that are measured by fair value and of which the changes in fair value are recognized in other comprehensive income. Only the related dividend income (except for the dividend income expressly acting as a recovery of investment cost) is recognized in the profit or loss for the current period, while the subsequent changes in fair value are recognized in other comprehensive income, and no provision is required for impairment. When the financial assets are derecognized, the accumulated gains or losses previously recognized in other comprehensive income will be moved out of other comprehensive income and recognized in retained earnings.

Financial assets that are measured by fair value and of which the changes in fair value are recognized in the profit or loss for the current period

The financial assets other than the above financial assets measured by amortized cost and the above financial assets that are measured by fair value and of which the changes in fair value are recognized in other comprehensive income are classified as the financial assets that are measured by fair value and of which the changes in fair value are recognized in the profit or loss for the current period. Those financial assets are subsequently measured by fair value and all changes in the fair value thereof are recognized in the profit or loss for the current period.

Classification and measurement of financial liabilities

The Group's financial liabilities are classified at initial recognition into the financial liabilities that are measured by fair value and of which the changes in fair value are recognized in the profit or loss for the current period and other financial assets. For the financial liabilities that are measured by fair value and of which the changes in fair value are recognized in the profit or loss for the current period, the related transaction fees are recognized directly in the profit or loss for the current period, while the related transaction fees of other financial liabilities are recognized in the initially recognized amounts thereof.

The subsequent measurement of financial liabilities depends on the classification thereof:

Financial liabilities that are measured by fair value and of which the changes in fair value are recognized in the profit or loss for the current period

The financial liabilities that are measured by fair value and of which the changes in fair value are recognized in the profit or loss for the current period include financial liabilities held for trading (including the derivative instruments as financial liabilities) and the liabilities that are designated at initial recognition as the financial liabilities that are measured by fair value and of which the changes in fair value are recognized in the profit or loss for the current period. The financial liabilities held for trading (including the derivative instruments as financial liabilities) are subsequently measured by fair value and all changes in the fair value are recognized in the profit or loss for the current period.

Other financial liabilities

Those financial liabilities are subsequently measured by amortized cost with the effective interest method.

Impairment of financial instruments

The Group has treated and recognized the impairment of the financial assets measured by amortized cost based on the expected credit loss.

For receivables that do not contain significant financing components, the Group measures the loss provision based on the amount of expected credit loss equivalent to the entire duration under a simplified measurement method,

For the financial assets not measured with the simplified method, the Group evaluates on each balance sheet date whether their credit risks have increased significantly since the initial recognition. If the credit risk of a financial asset has not increased significantly since the initial recognition, the asset is in the first stage and the Group will make provision for loss based on the amount of expected credit loss within the coming 12 months and calculate interest income based on the book balance and effective interest rate; if the credit risk has increased significantly since the initial recognition, but credit has not been impaired, the asset is in the second stage and the Group will make provision for loss equivalent to the amount of expected credit loss during the entire term and calculate interest income based on the book balance and effective interest rate; if credit has been impaired after the initial recognition, the asset is in the third stage and the Group will make provision for loss equivalent to the amount of expected credit loss during the entire term and calculate interest income based on the amortized cost and effective interest rate.

The Group evaluates the expected credit losses of financial instruments on the individual and Group bases. It evaluates the expected credit loss of accounts receivable by taking into account the credit risk characteristics of different clients and based on the account aging-based asset Groups.

For the disclosure of the Group's criteria for a significant increase in credit risk, definition of the assets whose credit has been impaired and assumptions for the measurement of expected credit loss, please refer to Notes X. 2.

When the Group no longer reasonably expects that it can recover the contractual cash flow of a financial asset in whole or in part, it will directly write down the book balance of the asset.

11. Notes receivable

Determination and accounting treatment of the expected credit loss of notes receivable

Applicable Not Applicable

12. Accounts receivable

Determination and accounting treatment of the expected credit loss of accounts receivable

Applicable Not Applicable

Please refer to Notes X. Risks Associated with Financial Instruments

13. Accounts receivable financing

Applicable Not Applicable

14. Other receivables

Determination and accounting treatment of the expected credit loss of other receivables

Applicable Not Applicable

Please refer to Notes X. Risks Associated with Financial Instruments

15. Inventory

Applicable Not Applicable

Inventory includes raw materials, work-in-progress materials, finished goods, real estate development costs and real estate development products.

Inventory is initially measured by cost. The costs of inventory except development costs and development products include the procurement cost, processing cost and other costs. The actual costs of items out of inventory are determined with the weighted average method. Work-in-progress materials include low-value consumables and packages, which are amortized with the one-off amortization method.

Development costs refer to the properties that have not been completed and are developed for the purpose of being sold. Development products refer to the properties that have been completed and are ready for sale. The actual costs of real estate development costs and development products include the land acquisition cost, expenditures on construction and installation works,

capitalized interest and other direct and indirect development expenses. The use right of the land for development purpose at the development of a project is amortized and recognized as the development cost of the project based on the site area of the development product, and the development cost will be changed over to development product after being completed.

If the public auxiliary facilities are completed earlier than the related development product, the facilities will be allocated to and recognized in the development cost of related development project based on the floor space of the project after final accounting of the facilities upon completion; if the public auxiliary facilities are completed later than the related development product, they will be recognized in the development cost of related development project based on the predicted cost of the public auxiliary facilities.

Hotel, catering and fresh goods inventories are subject to onsite inventory, while other inventories are subject to perpetual inventory.

On the balance sheet date, inventory is measured by cost and net realizable value, whichever is lower. If the cost is higher than the net realizable value, provision will be made for inventory depreciation, which will be recognized in the profit or loss for the current period. If the impact of the previous provision for inventory depreciation has disappeared and the net realizable value of the inventory becomes higher than the book value thereof, the amounts written down previously in the original provision for inventory depreciation will be restituted and recognized in the profit or loss for the current period.

Net realizable value is the estimated selling price of inventory less the cost estimated to occur as of completion, estimated sales expenses and related taxes. In principle, provisions for inventory depreciation shall be made for inventory items individually. For the inventory with a large quantity and a low unit price, inventory depreciation provision will be made based on the Groups of items.

16. Contract assets

(1). Determination and criteria for contract assets

Applicable Not Applicable

(2). Determination and accounting treatment of the expected credit loss of contract assets

Applicable Not Applicable

17. Held-for-sale assets

Applicable Not Applicable

18. Debt investments

(1). Determination and accounting treatment of the expected credit loss of debt investments

Applicable Not Applicable

19. Other debt investments

(1). Determination and accounting treatment of the expected credit loss of other debt investments

Applicable Not Applicable

20. Long-term receivables

(1). Determination and accounting treatment of the expected credit loss of long-term receivables

Applicable Not Applicable

Please refer to Notes X. Risks Associated with Financial Instruments

21. Long-term equity investment

Applicable Not Applicable

Long-term equity investment includes equity investment in subsidiaries, joint ventures and associates.

Long-term equity investment is initially measured by the initial investment cost at the time of being acquired. For a long-term equity investment acquired through a business merger under the same control, the initial investment cost is the share of the book value of the merged party's owner's equity acquired on the merger date in the ultimate controlling party's consolidated financial statements; The difference between the initial investment cost and the book value of the merger consideration is adjusted to the capital reserve (if it is insufficient to offset, the retained earnings will be offset); other comprehensive income before the merger date is accounted for on the same basis as that for the investee's direct disposal of related assets or liabilities when disposing of the investment. The shareholders' equity recognized by the investee due to the changes in shareholders' equity other than net profit and loss, other comprehensive income, and profit distribution is transferred to the current profit and loss when the investment is disposed of; those that are still long-term equity investments after disposal are carried forward in proportion, and those that are converted into financial instruments after disposal are carried forward in full. For a long-term equity investment acquired through a business merger not under the same control, the merger cost shall be used as the initial investment cost (for the business merger not under the same control realized step by step in a package deal, the sum of the book value and the new investment cost on the acquisition date is used as the initial investment cost). The merger cost includes the sum of fair values of the assets paid, the liabilities incurred or assumed, and the equity securities issued by the acquirer; the other comprehensive income held prior to the acquisition date that is recognized for accounting under the equity method is accounted for on the same basis as that for the investee's direct disposal of related assets or liabilities when disposing of the investment. The shareholders' equity recognized by the investee due to the changes in shareholders' equity other than net profit and loss, other comprehensive income, and profit distribution is transferred to the current profit and loss when the investment is disposed of; those that are still long-term equity investments after disposal are carried forward in proportion, and those that are converted into financial instruments after disposal are carried forward in full. The initial investment costs of the long-term equity investment acquired other than through merger are determined with the following methods: if an investment is acquired through the payment of cash, its initial investment cost consists of the purchase price actually paid and the expenses, taxes and other necessary expenses directly relating to the acquisition of the investment; and if an investment is acquired through the offering of equity securities, its initial investment cost is the fair value of the equity securities offered.

For the accounting of the long-term equity investment through which the Company can exercise control over the investees, the Company adopts the cost method in individual financial statements. Control refers to the power over an investee, with which the investor enjoys variable return by participating in the investee's related activities and is able to exercise its power over the investee to affect the amount of return.

In the cost method, the long-term equity investment is measured by initial investment cost. If the investment is added or recovered, the cost of long-term equity investment will be adjusted. The cash dividend or profit declared by the investees to be distributed is recognized as the investment income for the current period.

If the Group has joint control over or significant influence on the investee, the long-term equity investment will be measured with the equity method. Joint control refers to joint control over an arrangement in accordance with related agreements, and decisions on the activities relating to the arrangement shall be made only after the parties sharing the control reach an agreement. Significant influence refers to the power over the decision-making on the financial affairs and business policies of the investee, but the investor does not have control or joint control with others over the formulation of those policies.

In the equity method, if the initial investment cost of long-term equity investment is higher than the share enjoyed by the Group in the fair value of the investee's identifiable net assets at investment, the excess will be recognized in the initial investment cost of the long-term equity investment; if the initial investment cost of long-term equity investment is lower than the share enjoyed by the Group in the fair value of the investee's identifiable net assets at investment, the difference will be recognized in the profit or loss for the current period and the cost of the long-term equity investment will be adjusted simultaneously.

In the equity method, after long-term equity investment is acquired, the investment gains or losses and other comprehensive income shall be recognized and the book value of the long-term equity investment shall be adjusted based on the share in the net gains or losses and other comprehensive income realized by the investees to be enjoyed or assumed. The share in the investee's net gains or losses to be enjoyed shall be determined based on the fair value of the investee's identifiable assets at the acquisition of investment, according to the Group's accounting

policies and accounting periods and after net profits of the investee are adjusted with the portion of gains or losses from the internal transactions with its associates and joint ventures that is attributable to the investor based on the share to be enjoyed by it (but if the loss from internal transactions falls in the assets impairment loss, it shall be recognized in full) offset, except for the invested and sold assets that constitute businesses. The book value of long-term equity investment shall be reduced according to the share to be enjoyed by it in the profits or cash dividend declared by the investees to be distributed. For an investee's net losses recognized by the Group, the book value of the long-term equity investment and other long-term equity that substantially constitute net investment in the investee shall be written down to zero at maximum, except for the extra losses for which the Group is liable. For the investee's other changes in shareholders' equity other than net gains or losses, other comprehensive income and profit distribution, the book value of the long-term equity investment will be adjusted and the changes will be recognized in the shareholders' equity.

For the disposal of long-term equity investment, the difference between the book value of long-term equity investment and the proceeds actually received from the disposal thereof is recognized in the profits or loss for the current period. For the long-term equity investment measured with the equity method, if the equity method is terminated due to the disposal, the original related other comprehensive income measured with the equity method will be accounted on the same basis as that for the direct disposal of related assets or liabilities by the investees, and the shareholders' equity recognized due to the investees' other changes in shareholders' equity than net gains or losses, other comprehensive income and profit distribution will be recognized in the profits or loss for the current period in full; if the equity method is still adopted, the original related other comprehensive income measured with the equity method will be accounted on the same basis as that for the direct disposal of related assets or liabilities by the investees and recognized in the profits or loss for the current period pro rata, and the shareholders' equity recognized due to the investees' other changes in shareholders' equity than net gains or losses, other comprehensive income and profit distribution will be recognized in the profit or loss for the current period pro rata.

Where the Company loses control over a subsidiary due to step-by-step disposal of its equity investment in the subsidiary through multiple transactions, if the transactions constitute a package of deals, each transaction will be accounted as a transaction that disposes of the subsidiary and causes the loss of control over the subsidiary; however, the difference between the proceeds from each disposal and the book value of the corresponding long-term equity investment disposed of is recognized as other comprehensive income in individual financial statements before the Company loses control and is recognized in the profits or loss for the period in which the control is lost at the loss of control. If the transactions do not constitute a package of deals, each transaction will be accounted separately. In the event that the Company loses control, if the residual equity after the disposal enables the Company to have joint control over or significant influence on the subsidiary, it will be recognized as long-term equity investment in individual financial statements and be accounted in accordance with the relevant rules for changing the cost method to the equity method; otherwise, it will be recognized as a financial instrument and the difference between its fair value on the date of the loss of control and its book value will be recognized in the profit or loss for the current period.

22. Property investment

(1). In cost measurement model:

Depreciation or amortization methods

A property investment is a real estate property held with the intention of earning rents or of capital appreciation or both, including land use rights that have been leased, land use rights that are held and ready to be transferred after appreciation, and buildings that have been leased.

Property investments are initially measured by cost. The subsequent expenses relating to an property investment will be recognized in the cost of the property investment if the economic benefits relating to the asset are very likely to flow in and the cost thereof can be measured reliably. Otherwise, they will be recognized in the profit or loss for the current period at the time of being incurred.

The Group subsequently measures its property investments with the cost model. The depreciation/amortization of investment property is calculated on a straight line basis. The service life, estimated net residual value and annual depreciation rate of property investments are as follows:

Category	Service life	Estimated net residual value	Annual depreciation rate
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Buildings and structures	and	20-30 years	4%	3.2%-4.8%
Land use right		40-70 years	-	1.4%-2.5%

23. Fixed assets

(1). Recognition requirements

Applicable Not Applicable

A fixed asset will be recognized only if the economic benefits relating thereto are very likely to flow into the Group and its cost can be measured reliably. If meeting the above recognition requirement, the subsequent expenses relating to a fixed asset will be recognized in the cost of the fixed asset, and the book value of the replaced part will be deleted; otherwise, the subsequent expenses will be recognized in the profit or loss for the current period at the time of being incurred.

Fixed assets are initially measured by cost. The costs of purchasing a fixed asset include the purchase price, related taxes and other expenses that are incurred before the fixed asset is made to the predetermined ready-for-use status and are directly attributable to the asset.

(2). Depreciation methods

Applicable Not Applicable

Category	Depreciation methods	Depreciation period (number of years)	Residual value rate	Annual depreciation rate
Buildings and structures	Straight-line method	10-40	4%	2.4%-9.6%
General equipment	Straight-line method	5-10	4%	9.6%-19.2%
Transportation equipment	Straight-line method	6	4%	16.0%

(3). Identification basis, pricing and depreciation method of the fixed assets under financial lease

Applicable Not Applicable

The depreciation method for the fixed assets under financial lease is the same as that for proprietary fixed assets. If it can be reasonably determined that the ownership of a leased asset will be acquired upon expiry of the lease term, the depreciation will be based on its service life; if it cannot be reasonably determined that the ownership of a leased asset can be acquired upon expiry of the lease term, the depreciation will be based on the lease term or the service life of the asset, whichever is shorter.

24. Construction in progress

Applicable Not Applicable

The cost of construction in progress is determined based on the actual expenses, including the necessary expenses on the works incurred during the construction, the borrowing costs incurred before the works reach the predetermined ready-for-use status that shall be capitalized and other related expenses.

The construction in progress will be recognized as fixed assets, property investment and long-term prepaid expenses when reaching the predetermined ready-for-use status.

25. Borrowing costs

Applicable Not Applicable

Borrowing costs refer to the interests incurred by the Group for its borrowings and other related costs, including interest, amortization of discounts or premiums, ancillary costs and exchange difference arising from foreign currency borrowings.

Borrowing costs that are directly attributable to the acquisition, construction or production of the assets qualified for capitalization shall be capitalized, and other borrowing costs shall be recognized in the profit or loss for the current period. The assets qualified for capitalization refer to the fixed

assets, property investment, inventory and other assets that can reach the predetermined ready-for-use or sale status only after a quite long time of acquisition, construction or production.

Borrowing costs can start to be capitalized only if they meet the following requirements simultaneously:

- (1) the expenses on assets have been incurred;
- (2) the borrowing costs have been incurred;
- (3) The purchase, construction or production activities necessary to make the asset reach the intended usable or saleable status have started.

The borrowing costs for the assets qualified for capitalization shall cease being capitalized when the assets reach the predetermined ready-for-use or sale status after the acquisition, construction or production. The borrowing costs incurred subsequently will be recognized in the profit or loss for the current period.

During capitalization, the amount of interest to be capitalized during each accounting period is determined as follows:

For special borrowings, the amount of interest to be capitalized is the interest expenses actually incurred during the current period less the temporary deposits interest income or investment income.

(2) For occupied general borrowings, it is calculated and determined based on the weighted average of asset expenditures of the accumulated asset expenditure exceeding the portion of special borrowings multiplied by the weighted average interest rate of the occupied general borrowings.

If an asset qualified for capitalization is interrupted abnormally for more than three months during its acquisition, construction or production except due to the necessary procedures for it to reach the predetermined ready-for-use or sale status, the capitalization of its borrowing costs will be suspended. The borrowing costs incurred during the interruption will be recognized as expenses and in the profit or loss for the current period until the acquisition, construction or production of the asset is resumed.

26. Biological assets

Applicable Not Applicable

27. Oil and gas assets

Applicable Not Applicable

28. Right-of-use assets

Applicable Not Applicable

The Group's right-of-use asset classes mainly include buildings.

On the commencement date of the lease term, the Group recognizes its right to use the leased assets during the lease term as the right to use them, including: the initial measurement amount of the liabilities of the lease; The amount of the lease payment paid on or before the commencement date of the lease term, where there is a lease incentive, shall be deducted from the amount of the lease incentive already enjoyed; Initial direct costs incurred by lessee; Costs expected to be incurred by the Lessee to disassemble and remove the leased asset, restore the leased asset to the site, or restore the leased asset to the state agreed upon in the lease terms. The Group subsequently shall adopt the straight-line method for the depreciation of the usufruct assets. Where the ownership of the leased asset can be reasonably determined at the end of the lease term, the Group shall take depreciation during the remaining useful life of the leased asset. Where it is not reasonably certain that ownership of the leased asset will be acquired at the end of the lease term, the Group shall make depreciation within the shorter period of the lease term or the remaining useful life of the leased asset.

When the Group measures the lease liabilities again according to the present value of the changed lease payment amount and adjusts the book value of the right to use assets accordingly, if the book value of the right to use assets has been reduced to zero, but the lease liabilities still need to be further reduced, the Group shall record the remaining amount into the current profit and loss.

29. Intangible assets

(1). Measurement method, service life and impairment test

Applicable Not Applicable

Intangible assets will be recognized only if the economic benefits relating thereto are very likely to flow into the Group and the costs thereof can be measured reliably, and will be initially measured by cost. However, the intangible assets acquired from the merger of the enterprises not under common control will be individually recognized so long as the fair values thereof can be measured reliably, and will be measured by fair value.

The service life of an intangible asset is determined based on the term during which it can bring economic benefits to the Group. If the term during which an intangible asset can bring economic benefits to the Group is unforeseeable, it will be deemed as an intangible asset with uncertain service life.

The service life of intangible assets is as follows:

Category	Service life
Land use right	40-50 years
Software	10 years

The land use rights acquired by the Group are generally accounted as intangible assets. The buildings constructed by the Group itself, the related land use rights and buildings are accounted as intangible assets and fixed assets respectively. The price paid for the land and buildings purchased externally shall be allocated between the land use rights and buildings. If it is hard to reasonably allocate the price, the price in full will be treated as fixed assets.

The intangible assets with finite service life shall be amortized with the straight-line method during their service life. The Group reviews and makes adjustment to, if necessary, the service life and amortization method of its intangible assets with finite service life at least at the end of each year.

(2). Accounting policies for internal R&D expenses

Applicable Not Applicable

The Group divides expenditures for internal R & D projects into research expenditures and development expenditures. Research expenses are recognized in the profit or loss for the current period at the time of being incurred. Development expenditures can be capitalized only when all of the following conditions are met at the same time, that is, it is technically feasible to complete the intangible asset to make them usable or saleable; there is an intention to complete the intangible asset and use or sell it; the way for intangible assets to generate economic benefits, including the ability to prove that there are markets for the products generated by the intangible assets or the intangible assets themselves. Intangible assets that will be used internally can prove their usefulness; there are sufficient technology, financial resources and other resource supports to complete the development of the intangible asset and ability to use or sell the intangible asset; the expenditure attributable to the development of such intangible asset can be reliably measured. Development expenditures that do not satisfy the above conditions are included in the current profits and losses when incurred.

30. Impairment of long-term assets

Applicable Not Applicable

The Group determines the impairment of the assets other than inventory, deferred income tax and financial assets with the following methods.

The Group decides on the balance sheet date whether an asset has a sign of impairment. If it has a sign of impairment, the Group will estimate its recoverable value and carry out an impairment test. For the goodwill formed due to the merger of enterprises and the intangible assets with uncertain service life, the Group carries out impairment tests at least at the end of each year, regardless of the impairment signs. For the intangible assets that have not been ready for use, the Group also carries out impairment tests every year.

The recoverable value of an asset is determined based on the fair value of the asset less the disposal expenses or the present value of the expected future cash flows of the asset, whichever is higher. The Group estimates the recoverable value of each asset. For an asset whose recoverable value is hard to be estimated, the Group estimates the recoverable value of the assets Group which the asset belongs to. An assets Group is identified based on whether the main cash inflows from the Group are independent from the cash inflows from other assets or assets Groups.

When the recoverable value of an asset or assets Group is lower than its book value, the Group will write down its book value to the recoverable value and the amount written down will be recognized in the profit or loss for the current period; meanwhile, it will make provision for the impairment thereof.

The above assets impairment loss will not be reversed during the subsequent accounting periods.

31. Long-term prepaid expenses

Applicable Not Applicable

Long-term prepaid expenses are amortized with the straight-line method and the amortization periods are as follows:

Category	Amortization period
Architectural ornaments of buildings	3-5 years
Advertising facilities	3-5 years

32. Contract liabilities

(1). Recognition of contract liabilities

Applicable Not Applicable

The Group presents contractual assets or contractual liabilities in the balance sheet based on the relationship between performance obligations and customers' payments. The Group offsets the contractual assets and contractual liabilities under the same contract as a net amount.

A contractual liability refers to an obligation to transfer goods or services to a customer for the consideration received or receivable from the customer, such as the amount received by the enterprise before the transfer of committed goods or services.

33. Employee salary

(1). Accounting treatment of short-term salary

Applicable Not Applicable

The short-term salary actually incurred during the accounting period when the employees provide service for the Group are recognized as liabilities and are recognized in the profit or loss for the current period or costs of related assets.

(2). Accounting treatment of post-employment benefits

Applicable Not Applicable

The employees of the Group participate in the endowment insurance and unemployment insurance managed by the local government, as well as the enterprise annuity, and the corresponding expenditures are included in the relevant asset cost or current profit and loss when incurred.

(3). Accounting treatment of severance benefits

Applicable Not Applicable

When the Group provides severance benefits to its employees, the employee compensation liabilities arising from the severance benefits will be recognized, and the amount will be recognized in the profit or loss for the current period on the earlier date below: the date when the Group cannot unilaterally withdraw the severance benefits provided as a result of the employment termination plan or downsizing proposal; or the date when the Group recognizes the costs or expenses relating to the reorganization involving the payment of severance benefits.

(4). Accounting treatment of other long-term employee benefits

Applicable Not Applicable

34. Lease liabilities

Applicable Not Applicable

At the commencement date of the lease period, the Group recognizes the present value of the outstanding lease payments as a lease liability, except for short term and low value leases. In calculating the present value of the lease payments, the Group uses the lease embedded interest rate as the discount rate; If the inherent interest rate of the lease cannot be determined, the lessee's incremental borrowing rate shall be used as the discount rate. The Group calculates the interest expense of the lease liability in each period of the lease term in accordance with the fixed cyclical interest rate and records it into the current profit and loss, except as otherwise stipulated in the cost of the relevant assets. The variable lease payment not included in the measurement of lease liabilities shall be recorded into the profit and loss of the current period when it actually occurs, except for those included in the cost of related assets as otherwise stipulated. After the lease term begins, in the future when substantial changes occurred in the fixed payment, the guaranteed residual value is expected to cope with the amount of change, is used to determine the lease payment ratio index or change, call options, renewal options or terminate the option evaluation results or the actual exercise changes, after the Group according to the change of the present value of the lease payments to measure lease liability.

35. Estimated liabilities

Applicable Not Applicable

Except for the contingent considerations and contingent liabilities assumed in the mergers of enterprises not under common control, an obligation relating to contingent matters will be recognized by the Group as estimated liabilities if meeting the following requirements simultaneously:

- (1) The obligation is a current obligation assumed by the Group;
- (2) The performance of the obligation may result in the outflow of economic benefits from the Group;
- (3) The amount of the obligation can be measured reliably.

Estimated liabilities are initially measured based on the best estimate of the expenses required for the performance of related current obligations, and the risks, uncertainties and time value of money relating to the contingent matters are also factored in. The book value of estimated liabilities is reviewed on each balance sheet date. If any conclusive evidence indicates that the book value cannot reflect the current best estimate, the book value will be adjusted based on the current best estimate.

36. Share-based payment

Applicable Not Applicable

Share-based payment is divided into equity-settled share-based payment and cash-settled share-based payment. An equity-settled share-based payment refers to a deal in which the Group uses shares or other equity instruments as the consideration for settlement to obtain services.

The equity-settled share-based payment in exchange for services provided by employees shall be measured at the fair value of the equity instruments granted to employees. If it can be exercised immediately after the grant, it shall be included in the relevant costs or expenses at fair value on the grant date, and the capital reserve shall be increased accordingly; if it cannot be exercised until the service within the waiting period has been completed or the specified performance conditions have been satisfied on each balance sheet date during the waiting period, the Group will, based on the best estimate of the number of exercisable equity instruments, include the services acquired in the current period, as relevant costs or expenses based on the fair value on the grant date, and increase the capital reserve accordingly.

None of cost or expense shall be recognized for a share payment that cannot be exercised due to failure to meet non-market conditions and/or service period conditions. Where market conditions or non-exercising conditions are stipulated in the share-based payment agreement, regardless of whether the market conditions or non-exercising conditions are satisfied, it shall be deemed as exercisable as long as all other performance conditions and/or service period conditions have been satisfied.

If the equity-settled share payment is canceled, it will be treated as an accelerated exercise on the cancellation day, and the unrecognized amount shall be recognized immediately. If an employee or other party has option to satisfy the non-exercising conditions but fails to satisfy within the waiting period, it shall be treated as cancellation of equity-settled share-based payment. However, if a new equity instrument is granted and if it is determined that the new equity instrument granted is used to replace the canceled equity instrument on the grant date of the new equity

instrument, the replacement equity instruments granted in the same way shall be treated in the same way as that for the modification of the terms and conditions for the original equity instrument.

37. Preferred shares, perpetual bonds and other financial instruments

Applicable Not Applicable

38. Revenue

(1). Accounting policies for the recognition and measurement of revenue

Applicable Not Applicable

The Group recognizes incomes when it has fulfilled its performance obligations in the contract, that is, the customer has acquired the control over the relevant goods or services. The acquisition of the control over related goods or services means the ability to control the use of the goods or the provision of the service and obtain almost all of the economic benefits from them.

Commodity sales contracts

Commodity sales contracts between the Group and customers usually only include performance obligations for the transferred commodities. The Group generally recognizes incomes on the basis of comprehensive consideration of the following factors, at the time when the customer obtains control of the relevant products: the acquisition of the current right to receive payment for the commodities, the transfer of the major risks and rewards in the ownership of the commodities, the transfer of the legal ownership of the commodities, the transfer of the physical assets of the commodities, and the acceptance of the commodities by the customer.

Service contracts

The service contracts between the Group and its customers usually include performance obligations such as the provision of the use of shops in the Commodity City and its operating supporting services, the provision of hotel accommodation services and hotel catering services, and the provision of fixed-term paid funding services to related parties outside the Group.

The use of shops in the Commodity City and its supporting services

Since customers obtain and consume the economic benefits brought about by the Group's performance at the time of the performance by the Group, the Group regards them as a performance obligation to be fulfilled within a certain period of time and recognizes an income based on the performance progress, except that the performance progress cannot be reasonably determined. Under the output method, the Group determines the performance progress of the provision of the use of shops in the Commodity City and the supporting services for its operation based on the number of using days of the shops. When the performance progress cannot be reasonably determined, if the cost incurred by the Group is expected to be compensated, the income shall be recognized according to the amount of the cost incurred until the performance progress can be reasonably determined.

Hotel accommodation business

Since customers obtain and consume the economic benefits brought about by the Group's performance at the time of the performance by the Group, the Group regards them as a performance obligation to be fulfilled within a certain period of time and recognizes an income based on the performance progress, except that the performance progress cannot be reasonably determined. In accordance with the output method, the Group determines the performance progress of hotel accommodation services based on the number of staying days. When the performance progress cannot be reasonably determined, if the cost incurred by the Group is expected to be compensated, the income shall be recognized according to the amount of the cost incurred until the performance progress can be reasonably determined.

Hotel catering business

For individual performance obligations in the provision of hotel catering services, the Group prices hotel catering services separately, and uses the completion of hotel catering services as the point of income recognition.

Fixed -time paid funding services

Since customers obtain and consume the economic benefits brought about by the Group's performance at the time of the performance by the Group, the Group regards them as a performance obligation to be fulfilled within a certain period of time and recognizes an income based on the performance progress, except that the performance progress cannot be reasonably determined. Under the output method, the Group determines the performance progress of the services for the fixed-term paid funding services based on the number of using days of funds. When

the performance progress cannot be reasonably determined, if the cost incurred by the Group is expected to be compensated, the income shall be recognized according to the amount of the cost incurred until the performance progress can be reasonably determined.

(2). Differences in the revenue recognition policies for the same business under different business models

Applicable Not Applicable

39. Contract cost

Applicable Not Applicable

40. Government grants

Applicable Not Applicable

A government grant is recognized when it can meet the requirements and can be received. If a government grant falls in monetary assets, it will be measured by the amount received or receivable. If a government grant does not fall in monetary assets, it will be measured by fair value. If the fair value of a grant cannot be determined reliably, it will be measured by its nominal amount.

A government grant prescribed by government documents to be used to acquire or construct or otherwise form long-term assets will be deemed as an asset-related government grant; if no government documents have express provisions, the grants that are used to acquire or construct or otherwise form long-term assets will be deemed as asset-related government grants and others as income-related government grants.

The income-related government grants that are used to compensate for the related costs, expenses or losses during the subsequent periods are recognized as deferred income and will be recognized in the profit or loss or against the related costs for the period when the related costs, expenses or losses are recognized. The income-related government grants used to compensate for the related costs, expenses or losses that have been incurred are directly recognized in the profit or loss or against the related costs for the current period.

The asset-related government grants shall be used to offset the book value of related assets; or recognized as deferred income, and included in profit and loss in stages under a reasonable and systematic method during the useful life of the related assets (but government grants measured at a nominal amount shall be directly included in the current profit and loss); if the relevant asset is sold, transferred, scrapped or damaged before the end of its useful life, the balance of the undistributed deferred income shall be transferred to the current profit and loss when the asset is disposal.

If the finance allocates the discounted funds to the loan bank, and the loan bank provides the Group with a loan at a policy-oriented preferential interest rate, the Group takes the actual loan amount received as the book value of the loan, and the loan principal and the policy The preferential interest rate calculates the relevant borrowing costs.

41. Deferred income tax assets and deferred income tax liabilities

Applicable Not Applicable

Income tax consists of current income tax and deferred income tax. Except for the income tax arising from the adjustment of goodwill caused by the mergers of enterprises or the income tax that is related to the transactions or matters directly recognized in shareholders' equity, which are recognized in the shareholders' equity, income tax will be recognized in the profit or loss for the current period as income tax expenses or income.

The Group measures the current income tax liabilities or assets formed during the current period and the previous periods by the estimated amount of income tax to be paid or refunded as calculated in accordance with the tax law.

The Group recognizes deferred income tax with the balance sheet liability method based on the temporary difference between the book value of assets and liabilities on the balance sheet date and the tax base and that between the book value of the items that have not been recognized as assets and liabilities but whose tax base can be determined according to the tax law and the tax base thereof.

All taxable temporary differences will be recognized as deferred income tax liabilities, unless:

(1) The taxable temporary difference is generated in the following types of transactions: the initial recognition of goodwill, or the initial recognition of assets or liabilities generated in a transaction with the following characteristics: the transaction is not a business merger, and neither

affecting accounting profits, nor impacting taxable incomes or deductible losses when transaction occurs.

(2) For taxable temporary differences related to investments in subsidiaries, joint ventures and associated enterprises, the time for the reversal of the temporary differences can be controlled and the temporary differences may not be reversed in the foreseeable future.

For the deductible temporary differences and the deductible losses and tax deductions that can be carried forward to the subsequent years, the Group recognizes the deferred income tax assets arising therefrom within the limit of the future taxable income that is very likely to be obtained and used to be offset against the deductible temporary differences, deductible losses and tax deductions, unless:

(1) The deductible temporary differences are generated in the following transactions: The transaction is not a business combination, and when the occurrence of the transaction affects neither accounting profits nor taxable income or deductible losses.

(2) For deductible temporary differences related to investments in subsidiaries, joint ventures and associates, if all of the following conditions are satisfied simultaneously, the corresponding deferred income tax assets are recognized: the temporary differences are likely to be reversed in the foreseeable future, and it is likely to obtain taxable income that can be used to offset the deductible temporary differences in the future.

The Group measures, on the balance sheet date, the deferred income tax assets and liabilities based on the applicable tax rate for the period when the assets are expected to be recovered or the liabilities are expected to be paid off, in accordance with the tax law, which will also reflect the impact of the way of the expected recovery of assets or repayment of liabilities on the income tax on the balance sheet date.

The Group reviews the book value of deferred income tax assets on the balance sheet date. If it is very likely to be unable to acquire adequate taxable income to be offset against the benefits of deferred income tax assets in the future, the book value of deferred income tax assets will be written down. On the balance sheet date, the Group re-evaluates the unrecognized deferred income tax assets and recognizes the same to the extent that it is very likely to acquire adequate taxable income to reverse all or part of the deferred income tax assets.

If all the following requirements are met, deferred income tax assets and liabilities will be presented in net amount after offsetting: the Group has the legal right to settle the current income tax assets and liabilities in net amount; the deferred income tax assets and liabilities are related to the income tax levied by an identical tax authority on an identical taxpayer, or are related to the income tax levied by an identical tax authority on different taxpayers, but during each important period when the deferred income tax assets and liabilities are reversed, the involved taxpayers intend to settle the current income tax assets and liabilities in net amount or acquire assets or pay off debts simultaneously.

42. Lease

(1). Accounting treatment of operating lease

Applicable Not Applicable

(2). Accounting treatment of financial lease

Applicable Not Applicable

(3). Determination and accounting treatment of leases under the new lease standards

Applicable Not Applicable

Identification of the lease

On the commencement date of the contract, the Group evaluates whether the contract is a lease or an inclusive lease if a party in the contract cedes the right to control the use of one or more identified assets for a certain period in exchange for consideration. To determine whether the contract cedes the right to control the use of the identified assets for a certain period, the Group assesses whether the client in the contract is entitled to receive almost all the economic benefits arising from the use of the identified assets during the use period and to dominate the use of the identified assets during the use period.

Identification of separate leases

If the contract contains multiple separate leases at the same time, the Group will split the contract and account for each separate lease separately. The right to use the identified asset constitutes a separate lease in the contract if both of the following conditions are met:

- (1) The lessee can profit from the use of the asset alone or in combination with other readily available resources;
- (2) The asset is not highly dependent or highly related to other assets in the contract.

Separation of lease and non-lease components

If the contract contains both lease and non-lease parts, when the Group acts as the lessor and lessee, the lease and non-lease parts are separated for accounting treatment.

Evaluation of the lease term

The lease term is the irrevocable period during which the Group has the right to use the leased asset. The Group has the option to renew the lease, that is, it has the right to choose to renew the lease of the asset, and if it is reasonably certain that the option will be exercised, the lease term also includes the period covered by the renewal option. The Group has the option to terminate the lease, that is, it has the right to choose to terminate the lease of the asset, but if it is reasonably certain that the option will not be exercised, the lease term includes the period covered by the option to terminate the lease. In the event of a major event or change within the control of the Group and affecting whether the Group is reasonably certain to exercise the corresponding option, whether the Group is reasonably certain to exercise the option to renew the lease, purchase the option or not exercise the option to terminate the lease right to be reassessed.

As a tenant

See Note V. 28 and Note V. 34 for the general accounting treatment of the Group as a lessee.

Change in lease

Change in lease is the change in lease scope, lease consideration and lease term beyond the original contract terms, including increasing or terminating the right to use one or more leased assets, extending or shortening the lease term specified in the contract, etc.

If the lease changes and the following conditions are met at the same time, the Group will account for the change in lease as a separate lease:

- (1) The change in lease expands the scope of the lease by increasing the right to use one or more leased assets;
- (2) The increased consideration is equivalent to the amount adjusted by the individual price of the expanded part of the lease scope according to the contract.

If the lease modification is not accounted for as a separate lease, on the effective date of the lease modification, the Group re-determines the lease term and discounts the modified lease payments using the revised discount rate to remeasure the lease liability. When calculating the present value of the lease payment after the change, the Group uses the lease embedded interest rate of the remaining lease period as the discount rate; If it is impossible to determine the embedded interest rate of the remaining lease period, the Group's incremental loan interest rate on the effective date of the lease change shall be used as the discount rate.

Regarding the impact of the above lease liability adjustment, the Group conducts accounting treatment according to the following situations:

- (1) If the change in lease results in the narrowing of the lease scope or the shortening of the lease term, the Group reduces the book value of the right-of-use assets to reflect the partial or complete termination of the lease, and the relevant gains or losses from the partial or complete termination of the lease are included in profit and loss for the current period;
- (2) For other changes in lease, the Group adjusts the book value of the right-of-use asset accordingly.

Short-term leases and leases of low-value assets

The Group regards leases with a lease term shorter than 12 months and excluding purchase options as short-term leases on the commencement date of the lease term; leases with a value not exceeding RMB 40,000 when a single leased asset is a brand-new asset is identified as a low-value asset lease. If the Group subleases or expects to sublease the leased assets, the original lease is not recognized as a low-value asset lease. The Group chooses not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. In each period of the lease term, it is included in the relevant asset cost or current profit and loss on a straight-line basis.

As a lessor

The lease that transfers virtually all the risks and rewards related to the ownership of the leased asset on the lease commencement date is a finance lease, and other leases are operating leases.

The Group as the lessor to operating leases

Rental income from operating leases is recognised in profit or loss on a straight-line basis over each period of the lease term, and variable lease payments not included in lease receipts are included in profit or loss for the current period when actually incurred.

If an operating lease is changed, the Group will account for it as a new lease from the effective date of the change, and the advance receipts or lease receivables related to the lease before the change will be regarded as the receipts of the new lease.

43. Other important accounting policies and accounting estimates

√Applicable □Not Applicable

Distribution of profits

The Company's cash dividend is recognized as liabilities after approval by the shareholders' meeting.

Measurement of fair value

The Group measures the fair values of equity instruments investments on each balance sheet date. Fair value refers to the price received from the sale of an asset or paid for the transfer of a liability by a market player in the orderly transactions on the measurement date. The Group measures the related asset or liability by fair value, assuming that the orderly transaction of selling the asset or transferring the liability is executed in the principal market of related asset or liability, or if there is no principal market, assuming that the transaction is executed in the most advantageous market of related asset or liability. The principal market (or most advantageous market) is the marketplace which the Group can enter on the measurement date. The Group adopts the assumptions used by market players to maximize economic benefits in the pricing of the assets or liabilities.

When measuring non-financial assets at fair value, consider the ability of market participants to use the asset for the best use to generate economic benefits, or to sell the asset to other market participants who can use the asset for the best use to generate economic benefits.

The Group adopts the valuation technique that is applicable under the current conditions and is supported with sufficient available data and other information and uses the related observable inputs with priority. The unobservable inputs will be used only if the observable inputs are unavailable or it is unfeasible to acquire the observable inputs.

For the assets and liabilities which are measured or disclosed by fair value in the financial statements, the levels of fair value are determined based on the lowest-level input of important significance for the overall measurement of fair values: Level 1 input is the unadjusted offer price for an identical asset or liability that can be obtained in an active market on the measurement date; Level 2 inputs are the inputs that are directly or indirectly observable for related assets or liabilities other than Level 1 inputs; Level 3 inputs are the inputs that are observable for related assets or liabilities.

On each balance date, the Group re-evaluates the assets and liabilities that are recognized in the financial statements and keep being measured by fair value so as to determine whether to change the measurement levels of fair value.

Significant accounting judgments and estimates

In the preparation of financial statements, the management need to make judgments, estimates and assumptions, which will affect the presented amounts and disclosure of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities on the balance sheet date. However, the uncertainties of these assumptions and estimates may cause material adjustment to the book value of the assets or liabilities that will be affected in the future.

Judgments

When applying the Group's accounting policies, the management have made the following judgments which have had significant influence on the amounts recognized in the financial statements:

Operating lease—as the lessor

The Group has signed lease contracts for the property investments. The Group thinks that according to the terms of the lease contracts, the Group retains all major risks and compensations on the titles of those real estate properties and thus handles them as operating leases.

Partition between property investments and fixed assets

The Group classifies the buildings and structures leased out other than for the main businesses such as market and hotel services as well as the auxiliary land use rights thereof as property investments, including but not limited to the auxiliary banking and catering outlets for market

operation and the auxiliary service outlets for hotels. Other buildings and structures leased out are classified as fixed assets.

Judgments on assets acquisition and mergers of enterprises

When determining whether an acquisition transaction constitutes a merger, the Group assesses various factors, including whether the acquiree constitutes a business, in accordance with the Accounting Standards for Enterprises No. 20 – Merger of Enterprises. A business refers to a Group of some production and operation activities or assets and liabilities within an enterprise, which has the input, processing and output abilities and whose costs and expenses or revenue can be calculated independently, but an asset or a Group of assets or liabilities can be deemed as a business so long as it has the input and processing processes. The Group makes comprehensive judgments by combining the asset acquired and the processing process.

Business model

The classification of financial assets at initial recognition depends on the Group's business model for the management of financial assets. When judging the business model, the Group factors in the enterprise evaluation, the way of reporting financial assets performance to key management personnel, the risks affecting the performance of financial assets, the way of managing financial assets and the way of related business management personnel obtaining remunerations. When assessing whether to aim at the collection of contractual cash flow, the Group needs to analyze the reasons, time, frequency and value for sale of the financial assets to be sold before the expiry dates thereof.

Characteristics of contractual cash flow

The classification of financial assets at initial recognition depends on the characteristics of the contractual cash flow of the financial assets. For the judgment on whether the contractual cash flow is the repayment of principal and the payment of interest on outstanding principal, including the evaluation of the adjustment to the time value of money, it should be judged whether it is significantly different from the benchmark cash flow; for the financial assets with the early repayment characteristic, it should be judged whether the fair value of the early repayment characteristic is extremely low.

Uncertainties of estimates

The key assumptions on the balance sheet date for the future and other key sources of the uncertainties of estimates are shown below, which may cause significant adjustments to the book values of assets and liabilities during the future accounting periods.

Impairment of financial instruments

The Group evaluates the impairment of financial instruments with the expected credit loss model. To apply the model, the Group needs to make significant judgments and estimates and take into account all reasonable and evidenced information, including forward-looking information. When making these judgments and estimates, the Group infers the expected changes in the debtors' credit risks based on their historical repayment data, in combination with the economic policies, macroeconomic indicators and industry risks. Different estimates may affect the provisions for impairment and the provision that has been made for impairment may not necessarily be equal to the actual amount of impairment loss in the future.

Net realizable value of property inventory

The Group's property inventory is measured by cost or net realizable value, whichever is lower. For the calculation of net realizable value, assumptions and estimates should be used. If the management adjust the estimated price and the costs and expenses to be incurred until the completion, it will affect the estimate of the net realizable value of the inventory and the difference will affect the provision for inventory depreciation.

Impairment of non-current assets other than financial assets (excluding goodwill)

The Group determines, on the balance sheet date, whether the non-current assets other than financial assets have a sign of being impaired. For a non-current asset other than financial asset, if it is indicated that its book value cannot be recovered, an impairment test will be made. When the book value of an asset or a Group of assets is higher than its recoverable value, i.e. fair value less the disposal expenses or the present value of expected future cash flow, whichever is higher, the asset or Group has been impaired. For the fair value less the disposal expenses, the Group refers to the agreed selling price or observable market price of the similar asset in a fair transaction, less the cost increase directly attributable to the disposal of the asset. When predicting the present value of future cash flows, the management must estimate the expected future cash flows of the asset or Group of assets and select an appropriate discount rate. When identifying a Group of assets, the management consider whether the smallest identifiable Group of assets can generate income and cash flows independently from other departments or units, or the income and cash inflows

generated thereby are mostly independent from other departments or units, and also take into account the way of managing or monitoring production and operating activities and the way of making decisions on the continued use or disposal of the asset.

Fair value of unlisted equity investment

Valuation of the unlisted equity investment is the expected future cash flows discounted at the current discount rate of other financial instruments with similar contract terms and risk characteristics. This requires the Group to estimate the expected future cash flows, credit risk, volatility and discount rate, which brings uncertainties.

Development expenses

When determining the amount of capitalization, management must make assumptions on the expected future cash flow, the applicable discount rate, and the expected benefit period of the asset.

Deferred income tax assets

To the extent that it is very likely for the Group to have enough taxable income to be offset against the deductible losses, the Group shall recognize deferred income tax assets in connection with the outstanding deductible losses. This requires the management to use lots of judgments to estimate the acquisition time and amount of the taxable income to be acquired in the future to determine the amount of deferred income tax assets to be recognized, in consideration of the tax payment planning strategy.

Service life and residual value of fixed assets

The Group makes provisions for the depreciation of its fixed assets during the expected service life thereof after considering their residual value. The Group reviews the expected service life and residual value of related assets on a regular basis to determine the amount of depreciation expenses to be recognized for each reporting period. The Group determines the service life and residual value of assets based on its experience in similar assets and in combination with the expected technology changes. If the previous estimates have material changes, the depreciation expenses will be adjusted for the future periods.

44. Changes in important accounting policies and accounting estimates

(1). Changes in important accounting policies

√Applicable □Not Applicable

Contents and reason for changes in accounting policies	Approving procedure	Remarks (substantially affected items and amounts)
In 2018, the Ministry of Finance promulgated the revised Accounting Standards for Business Enterprises No. 21 – Leases (“New Lease Standards”), which adopts a single model similar to the current accounting treatment of financial leases, requiring lessees to All leases other than leases and leases of low-value assets recognize a right-of-use asset and a lease liability, with depreciation and interest expense, respectively. The Group will start accounting in accordance with the newly revised lease standards from January 1, 2021.	Changes in statutory accounting policies	See other notes for details

Other statements

According to the linking regulations, the information of the comparable period will not be adjusted, and the retained earnings at the beginning of 2021 will be retrospectively adjusted for the difference between the new lease standard on the first implementation date and the current lease standard:

(1) For financial leases before the date of initial implementation, the Group measures the right-of-use assets and lease liabilities according to the original book values of the finance leased assets and finance lease payments payable;

(2) For operating leases prior to the date of initial application, the Group measures lease liabilities based on the present value of the remaining lease payments discounted at the incremental borrowing rate on the date of initial application, and according to the prepaid rent, makes necessary adjustments to an amount equal to the lease liability for each lease to measure the right-of-use asset;

(3) The Group conducts impairment test on right-of-use assets in accordance with Note V. 30 and performs corresponding accounting treatment.

The Group adopts simplified treatment for operating leases whose leased assets are low-value assets before the date of initial application or operating leases that will be completed within 12 months, and no right-of-use assets and lease liabilities are recognized for them. In addition, the Group adopts the following simplified treatment for operating leases prior to the date of initial application:

(1) When measuring lease liabilities, the same discount rate may be used for leases with similar characteristics; the measurement of right-of-use assets may not include initial direct costs;

(2) If there is an option to renew the lease or to terminate the lease, the Group determines the lease term according to the actual exercise of the option before the date of initial execution and other latest information;

(3) As an alternative to the right-of-use asset impairment test, the Group assesses whether a contract including a lease is a onerous contract before the date of initial application according to Note V. 28, and adjusts the right-of-use assets according to the amount of the loss provision recorded in the balance sheet before the date of initial implementation;

(4) For lease modification prior to the date of initial implementation, the Group conducts accounting treatment according to the final arrangement of lease modification.

For the minimum lease payments outstanding for significant operating leases disclosed in the financial statements for 2020, the Group's adjustment process for the difference between the discounted present value of the incremental borrowing rate of the Japan Group as the lessee on 1 January 2021 and the lease liabilities recorded on the balance sheet on 1 January 2021 is as follows:

Major Operating Lease Minimum Lease Payments as of December 31, 2020	-
Weighted Average Incremental Borrowing Interest Rate	2.78%-8.01%
Present value of operating lease payments as of 1 January 2021	236,505,193.35
Plus: Finance lease payments payable as of December 31, 2020	-
Lease liability as of January 1, 2021	236,505,193.35

The impact of the implementation of the new lease standard on balance sheet items on January 1, 2021 is as follows:

Consolidated Balance Sheet

	Number of statements	Assuming that the original standard is implemented	Affected amount
Advance from customers	98,855,083.89	105,187,528.26	-6,332,444.37
Other receivables	2,700,742,786.35	2,708,478,136.25	-7,735,349.90
Right-of-use assets	249,646,048.55	-	249,646,048.55
Long-term receivables	133,058,661.88	126,756,573.81	6,302,088.07
Long-term prepaid expenses	105,353,574.36	110,728,723.36	-5,375,149.00
Non-current liabilities due within one year	1,321,957,116.90	1,315,026,574.43	6,930,542.47
Lease liabilities	229,574,650.88	-	229,574,650.88
	<u>4,839,187,922.81</u>	<u>4,366,177,536.11</u>	<u>473,010,386.70</u>

Corporate balance sheet

	Number of statements	Assuming that the original standard is implemented	Affected amount
Prepayments	26,853,922.86	29,452,445.04	-2,598,522.18
Other receivables	2,651,620,610.06	2,651,640,610.06	-20,000.00
Right-of-use assets	121,203,075.53	-	121,203,075.53
Long-term receivables	61,267,392.22	61,250,000.00	17,392.22
Non-current liabilities due within one year	1,317,545,829.95	1,315,026,574.43	2,519,255.52
Lease liabilities	116,082,690.05	-	116,082,690.05
	<u>4,294,573,520.67</u>	<u>4,057,369,629.53</u>	<u>237,203,891.14</u>

The impact of the implementation of the new lease standard on the 2021 Financial Statements is as follows:

Consolidated Balance Sheet

	Number of	Assuming that the	Affected
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	statements	original standard is implemented	amount
Advance from customers	875,167,709.48	878,159,599.98	-2,991,890.50
Other receivables	1,355,924,282.96	1,364,246,050.50	-8,321,767.54
Right-of-use assets	225,347,077.14	-	225,347,077.14
Long-term receivables	222,307,363.40	214,752,001.51	7,555,361.89
Long-term prepaid expenses	188,184,376.43	191,220,571.95	-3,036,195.52
Deferred income tax assets	135,737,028.89	134,914,219.91	822,808.98
Non-current liabilities due within one year	3,664,241,923.08	3,653,879,444.25	10,362,478.83
Lease liabilities	205,942,673.93	-	205,942,673.93
	<u>6,872,852,435.31</u>	<u>6,437,171,888.10</u>	<u>435,680,547.21</u>

Consolidated Income Statement

	Number of statements	Assuming that the original standard is implemented	Affected amount
Operating cost	4,027,543,138.56	4,033,717,402.64	-6,174,264.08
Sales expenses	204,745,974.57	204,817,321.94	-71,347.37
Administrative expenses	463,852,229.64	463,888,003.77	-35,774.13
Financial expenses	179,911,613.70	167,047,055.27	12,864,558.43
	<u>4,876,052,956.47</u>	<u>4,869,469,783.62</u>	<u>6,583,172.85</u>

Corporate balance sheet

	Number of statements	Assuming that the original standard is implemented	Affected amount
Prepayments	11,213,809.02	13,767,136.95	-2,553,327.93
Other receivables	1,207,086,885.99	1,207,106,885.99	-20,000.00
Right-of-use assets	118,591,035.63	-	118,591,035.63
Long-term receivables	41,668,837.64	41,650,000.00	18,837.64
Deferred income tax assets	122,565,730.38	121,772,869.30	792,861.08
Non-current liabilities due within one year	3,656,595,072.25	3,653,879,444.25	2,715,628.00
Lease liabilities	113,367,062.05	-	113,367,062.05
	<u>5,271,088,432.96</u>	<u>5,038,176,336.49</u>	<u>232,912,096.47</u>

Company Income Statement

	Number of statements	Assuming that the original standard is implemented	Affected amount
Operating cost	1,062,881,897.31	1,068,758,634.31	-5,876,737.00
Financial expenses	175,493,659.20	166,314,343.29	9,179,315.91
	<u>1,238,375,556.51</u>	<u>1,235,072,977.60</u>	<u>3,302,578.91</u>

In addition, starting from the date of initial application, the Company will include the cash paid for the repayment of the principal and interest of the lease liability in the cash flow statement in the cash outflow of financing activities, and the short-term lease payments and low-value assets lease payments made with simplified treatment and variable lease payments that are not included in the measurement of the lease liability are still included in operating cash outflows.

The main effects of retrospective adjustments caused by the above changes in accounting policies on the Financial Statements are as follows:

Changes in accounting policies of the Group

December 31, 2020

1. Changes in accounting policies

January 1, 2021

Prepayments	105,187,528.26	(6,332,444.37)	98,855,083.89
Other receivables	2,708,478,136.25	(7,735,349.90)	2,700,742,786.35
Right-of-use assets	-	249,646,048.55	249,646,048.55
Long-term prepaid expenses	110,728,723.36	(5,375,149.00)	105,353,574.36
Long-term prepaid expenses	126,756,573.81	6,302,088.07	133,058,661.88
Non-current liabilities due within one year	1,315,026,574.43	6,930,542.47	1,321,957,116.90
Lease liabilities	-	229,574,650.88	229,574,650.88

The Company

	December 31, 2020	1. Changes in accounting policies	January 1, 2021
Prepayments	29,452,445.04	(2,598,522.18)	26,853,922.86
Other receivables	2,651,640,610.06	(20,000.00)	2,651,620,610.06
Right-of-use assets	-	121,203,075.53	121,203,075.53
Long-term receivables	61,250,000.00	17,392.22	61,267,392.22
Non-current liabilities due within one year	1,315,026,574.43	2,519,255.52	1,317,545,829.95
Lease liabilities	-	116,082,690.05	116,082,690.05

(2). Changes in important accounting estimates

Applicable Not Applicable

(3). The adjustment of the current opening financial statements for the first implementation of the New Standard for Lease from 2021

Applicable Not Applicable

Consolidated Balance Sheet

Unit: RMB

Item	December 31, 2020	January 1, 2021	Adjustment
Current assets:			
Monetary capital	5,612,642,932.21	5,612,642,932.21	
Held-for-trading financial assets	51,712,734.31	51,712,734.31	
Accounts receivable	153,573,476.86	153,573,476.86	
Prepayments	105,187,528.26	98,855,083.89	-6,332,444.37
Other receivables	2,708,478,136.25	2,700,742,786.35	-7,735,349.90
In which: interest receivable	121,401,210.48	121,401,210.48	
Inventory	1,329,467,728.17	1,329,467,728.17	
Other current assets	179,724,694.17	179,724,694.17	
Total current assets	10,140,787,230.23	10,126,719,435.96	-14,067,794.27
Non-current assets:			
Long-term receivables	126,756,573.81	133,058,661.88	6,302,088.07
Long-term equity investment	3,832,897,502.71	3,832,897,502.71	
Other equity instruments investment	662,256,342.79	662,256,342.79	
Other non-current financial assets	1,523,925,249.81	1,523,925,249.81	
Property investment	1,960,426,291.73	1,960,426,291.73	

Fixed assets	5,234,293,786.87	5,234,293,786.87	
Construction in progress	982,891,877.14	982,891,877.14	
Right-of-use assets	-	249,646,048.55	249,646,048.55
Intangible assets	3,900,780,981.92	3,900,780,981.92	
Development expenses	22,223,061.09	22,223,061.09	
Long-term prepaid expenses	110,728,723.36	105,353,574.36	-5,375,149.00
Deferred income tax assets	99,664,328.84	99,664,328.84	
Other non-current assets	152,495,196.56	152,495,196.56	
Total non-current assets	18,609,339,916.63	18,859,912,904.25	250,572,987.62
Total assets	28,750,127,146.86	28,986,632,340.21	236,505,193.35
Current liabilities:			
Short-term borrowings	1,257,179,389.40	1,257,179,389.40	
Accounts payable	636,463,802.23	636,463,802.23	
Advances from customers	112,752,897.25	112,752,897.25	
Contract liabilities	2,442,211,788.88	2,442,211,788.88	
Payroll payable	161,498,997.53	161,498,997.53	
Tax payable	495,400,499.73	495,400,499.73	
Other payables	1,646,345,561.62	1,646,345,561.62	
Non-current liabilities due within one year	1,315,026,574.43	1,321,957,116.90	6,930,542.47
Other current liabilities	3,023,608,041.68	3,023,608,041.68	
Total current liabilities	11,090,487,552.75	11,097,418,095.22	6,930,542.47
Non-current liabilities:			
Long-term borrowings	282,000,000.00	282,000,000.00	
Bonds payable	3,552,161,709.68	3,552,161,709.68	
Lease liabilities	-	229,574,650.88	229,574,650.88
Estimated liabilities	110,620,306.10	110,620,306.10	
Deferred income	26,545,277.30	26,545,277.30	
Deferred income tax liabilities	113,602,923.79	113,602,923.79	
Total non-current liabilities	4,084,930,216.87	4,314,504,867.75	229,574,650.88
Total liabilities	15,175,417,769.62	15,411,922,962.97	236,505,193.35
Owners' equity (or shareholders' equity)			
Paid-in capital (share capital)	5,489,914,176.00	5,489,914,176.00	
Capital reserve	1,594,906,524.67	1,594,906,524.67	
Less: treasury stocks	137,298,000.00	137,298,000.00	
Other comprehensive income	78,149,661.33	78,149,661.33	
Surplus reserve	1,364,257,808.58	1,364,257,808.58	
Undistributed profits	5,168,298,206.50	5,168,298,206.50	
Total equity attributable to owners (shareholders) of the parent company	13,558,228,377.08	13,558,228,377.08	
Minority interest	16,481,000.16	16,481,000.16	
Total owners' equity (or shareholders' equity)	13,574,709,377.24	13,574,709,377.24	
Total liabilities and owners' equity (or shareholders' equity)	28,750,127,146.86	28,986,632,340.21	236,505,193.35

Statements on item adjustment:

√Applicable □Not Applicable

In 2018, the Ministry of Finance revised and issued the "Accounting Standards for Business Enterprises No. 21-Leases" (Cai Kuai [2018] No. 35) (hereinafter collectively referred to as the "New Standard for Lease"). The Company will disclose the accounting statements according to the requirements of the New Standard for Lease. In accordance with the standard transmit regulations, the Company retrospectively adjusted the figures for the beginning of 2021. The right to use assets and lease liabilities shall be confirmed in accordance with the lease contract, and the leases originally included in the prepayments shall be transferred to the right to use assets. The quantitative impact of the above changes on specific financial statement items is: on January 1,

2021, in the consolidated balance sheet, prepayments were reduced by RMB 6,332,444.37, other receivables were reduced by RMB 7,735,349.90, long-term prepaid expenses were reduced by RMB 5,375,149.00, and long-term prepaid receivables, right-of-use assets, non-current liabilities due within one year and lease liabilities were increased by RMB 6,302,088.07, RMB 249,646,048.55, RMB 6,930,542.47 and RMB 229,574,650.88, respectively.

Balance Sheet of Parent Company

Unit: RMB

Item	December 31, 2020	January 1, 2021	Adjustment
Current assets:			
Monetary capital	5,435,867,497.50	5,435,867,497.50	
Held-for-trading financial assets	6,632.72	6,632.72	
Accounts receivable	14,671,577.47	14,671,577.47	
Prepayments	29,452,445.04	26,853,922.86	-2,598,522.18
Other receivables	2,651,640,610.06	2,651,620,610.06	-20,000.00
In which: interest receivable	121,401,210.48	121,401,210.48	
Inventory	10,144,965.06	10,144,965.06	
Other current assets	3,082,340,716.76	3,082,340,716.76	
Total current assets	11,224,124,444.61	11,221,505,922.43	-2,618,522.18
Non-current assets:			
Long-term receivables	61,250,000.00	61,267,392.22	17,392.22
Long-term equity investment	6,083,135,428.02	6,083,135,428.02	
Other equity instruments investment	662,256,342.79	662,256,342.79	
Other non-current financial assets	266,722,811.41	266,722,811.41	
Property investment	1,501,734,504.79	1,501,734,504.79	
Fixed assets	4,444,239,239.28	4,444,239,239.28	
Construction in progress	856,248,099.10	856,248,099.10	
Right-of-use assets		121,203,075.53	121,203,075.53
Intangible assets	3,777,092,772.41	3,777,092,772.41	
Long-term prepaid expenses	58,705,952.97	58,705,952.97	
Deferred income tax assets	85,739,381.21	85,739,381.21	
Total non-current assets	17,977,124,531.98	17,918,344,999.73	121,220,467.75
Total assets	29,021,248,976.59	29,139,850,922.16	118,601,945.57
Current liabilities:			
Short-term borrowings	1,257,179,389.40	1,257,179,389.40	
Accounts payable	444,254,309.61	444,254,309.61	
Advances from customers	97,380,931.49	97,380,931.49	
Contract liabilities	2,283,994,068.70	2,283,994,068.70	
Payroll payable	131,469,702.81	131,469,702.81	
Tax payable	546,100,633.28	546,100,633.28	
Other payables	1,333,312,494.36	1,333,312,494.36	
Non-current liabilities due within one year	1,315,026,574.43	1,317,545,829.95	2,519,255.52
Other current liabilities	3,556,664,822.79	3,556,664,822.79	
Total current liabilities	10,965,382,926.87	10,967,902,182.39	2,519,255.52
Non-current liabilities:			
Long-term borrowings	282,000,000.00	282,000,000.00	
Bonds payable	3,552,161,709.68	3,552,161,709.68	
Lease liabilities	-	116,082,690.05	116,082,690.05
Estimated liabilities	110,620,306.10	110,620,306.10	
Deferred income	26,545,277.30	26,545,277.30	
Deferred income tax liabilities	69,623,249.14	69,623,249.14	
Total non-current liabilities	4,040,950,542.22	4,157,033,232.27	116,082,690.05
Total liabilities	15,006,333,469.09	15,124,935,414.66	118,601,945.57

Owners' equity (or shareholders' equity)			
Paid-in capital (share capital)	5,489,914,176.00	5,489,914,176.00	
Capital reserve	1,833,256,515.22	1,833,256,515.22	
Less: treasury stocks	137,298,000.00	137,298,000.00	
Other comprehensive income	81,473,183.84	81,473,183.84	
Surplus reserve	1,364,204,332.75	1,364,204,332.75	
Undistributed profits	5,383,365,299.69	5,383,365,299.69	
Total owners' equity (or shareholders' equity)	14,014,915,507.50	14,014,915,507.50	
Total liabilities and owners' equity (or shareholders' equity)	29,021,248,976.59	29,139,850,922.16	118,601,945.57

Statements on item adjustment:

Applicable Not Applicable

In 2018, the Ministry of Finance revised and issued the "Accounting Standards for Business Enterprises No. 21-Leases" (Cai Kuai [2018] No. 35) (hereinafter collectively referred to as the "New Standard for Lease"). The Company will disclose the accounting statements according to the requirements of the New Standard for Lease from Jan 1st, 2021. In accordance with the standard transmit regulations, the Company retrospectively adjusted the figures for the beginning of 2021. The right to use assets and lease liabilities shall be confirmed in accordance with the lease contract, and the leases originally included in the prepayments shall be transferred to the right to use assets. The quantitative impact of the above changes on specific financial statement items is: On January 1, 2021, in the parent company's balance sheet, prepayments were reduced by RMB 2,598,522.18, other receivables were reduced by RMB 20,000.00, and long-term receivables, right-of-use assets, non-current liabilities due within one year and lease liabilities were increased by RMB 17,392.22, RMB 121,203,075.53, RMB 2,519,255.52 and RMB 116,082,690.05, respectively.

(4). Explanation of the retrospective adjustment of the previous comparative data for the first implementation of the New Standard for Lease from 2021.

Applicable Not Applicable

45. Others

Applicable Not Applicable

VI. Taxes

1. Major taxes and tax rates

Major taxes and tax rates

Applicable Not Applicable

Tax	Base of taxation	Tax rate
VAT	Sale of goods or rendering of taxable service	The Company is a general taxpayer. The taxable income is calculated at 13%, 9% and 6% tax rates as output tax, and the value-added tax is calculated and paid on the basis of the difference after deduction of the input tax allowed to be deducted in the current period. In addition, for the sale of the self-developed old real estate projects (the contract start date indicated in the "Construction Project Construction Permit" is before April 30, 2016) and the lease of the real estate acquired before April 30, 2016, the simplified tax calculation method shall apply at the rate of 5%.
Urban maintenance and construction tax	Indirect tax actually paid	5% or 7%
Corporate income tax		Domestic enterprises should pay 25% of the taxable income of corporate income tax; Yiwu China Commodities City (Hong Kong)

		International Trade Co., Ltd. was registered in Hong Kong Special Administrative Region, so it is subject to the Hong Kong income tax rate, 16.50%; BETTER SILK ROAD FZE was registered in Dubai and no corporate income tax is levied.
Land appreciation tax	Ratio of appreciation value to deductible items	Four-bracket progressive tax rate (30%~60%)
Real estate tax	If the tax is levied according to price, the amount is 1.2% of the balance of the original value of the property after a 30% deduction; if the tax is levied according to rental, the amount is 12% of the rental income.	1.2% or 12%
Education surcharge	Indirect tax actually paid	3%
Local education surcharge	Indirect tax actually paid	2%
Cultural undertaking development fee	Advertising turnover	3%

Disclosure of taxpayers subject to different income tax rates

Applicable Not Applicable

Taxpayer	Income tax rate (%)
Yiwu China Commodities City (Hong Kong) International Trade Co., Ltd.	16.50
BETTER SILK ROAD FZE	0

2. Tax preference

Applicable Not Applicable

According to the notice "Measures of Yiwu for Implementation of Adjustment of Urban Land Use Tax Policies to Promote the Intensive and Economical Utilization of Land" (Y D S H [2017] No. 56), the Company enjoys tax incentive of exemption from 90% of land use tax according to the statistical caliber of taxation on acres .

3. Others

Applicable Not Applicable

VII. Notes to items in consolidated financial statements

1. Monetary capital

Applicable Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Cash on hand	154,264.94	292,999.29
Bank deposits	4,831,258,722.95	4,812,189,759.31
Other cash and cash equivalents	55,398.36	800,160,173.61
Total	4,831,468,386.25	5,612,642,932.21
In which: amount deposited abroad	38,554,320.18	25,679,209.72

Other statements

For the cash and cash equivalents which are restricted in use, please refer to Notes VII.81 Assets with Restricted Title or Right of Use.

Interest income of demand deposits is accrued based on the demand deposit rates of banks. The term of short-term time deposits ranges from three months to half a year and depends on the Group's cash demand, and the interest income thereof is accrued based on the corresponding time deposit rates of banks.

2. Held-for-trading financial assets√Applicable Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Financial assets that are measured by fair value and of which the changes in fair value are recognized in the profit or loss for the current period	75,375,083.20	51,712,734.31
Among which:		
Bank financing products	25,000,000.00	-
Equity instrument investment	50,375,083.20	51,712,734.31
Total	75,375,083.20	51,712,734.31

Other notes:

Applicable Not Applicable**3. Derivative financial assets**Applicable Not Applicable**4. Notes receivable****(1). Categorized presentation of notes receivable**Applicable Not Applicable**(2). Notes receivable having been pledged by the Company as of the close of the reporting period**Applicable Not Applicable**(3). Notes receivable having been endorsed or discounted by the Company as of the close of the reporting period and having not been due as of the balance sheet date**Applicable Not Applicable**(4). Notes turned into accounts receivable due to the drawers' non-performance at the close of the reporting period**Applicable Not Applicable**(5). Categorized disclosure based on the bad debt provision method**Applicable Not Applicable

Accounts receivable for which bad debt provision is made individually:

Applicable Not Applicable

Explanation for making bad debt provision for accounts receivable by Group:

Applicable Not Applicable

If the bad debt provision is made according to the general model of expected credit loss, please refer to the disclosure of other receivables:

Applicable Not Applicable**(6). Provisions for bad debts**Applicable Not Applicable**(7). Notes receivable actually written off during the current period**Applicable Not Applicable

Other statements

Applicable Not Applicable

5. Accounts receivable**(1). Disclosure based on account age**√Applicable Not Applicable

Unit: RMB

Account age	Closing book balance
Within 1 year	191,258,380.84
1 to 2 years	100,234.00
2 to 3 years	352,588.44
Total	191,711,203.28

(2). Categorized disclosure based on the bad debt provision method√Applicable Not Applicable

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Provision ratio (%)		Amount	Proportion (%)	Amount	Provision ratio (%)	
Accounts receivable for which bad debt provision is made individually	97,219,393.59	50.71	6,261,907.10	0.22	90,957,486.49	90,795,847.76	59.07	-	-	90,795,847.76
Accounts receivable for which bad debt provision is made by Group	94,491,809.69	49.29	211,765.29	6.44	94,280,044.40	62,907,905.93	40.93	130,276.83	0.21	62,777,629.10
Total	191,711,203.28	/	6,473,672.39	/	185,237,530.89	153,703,753.69	/	130,276.83	/	153,573,476.86

Accounts receivable for which bad debt provision is made individually:

√Applicable Not Applicable

Unit: RMB

Name	Closing balance			
	Book balance	Bad debt provision	Provision ratio (%)	Reason for provision
Trade receivables	90,957,486.49	-	-	
Lease receivables	6,261,907.10	6,261,907.10	100.00	Due to deterioration of operating conditions, expected not to be recovered
Total	97,219,393.59	6,261,907.10	0.22	/

Explanation for making bad debt provision for accounts receivable individually:

Applicable Not Applicable

Explanation for making bad debt provision for accounts receivable by Group:

Applicable Not Applicable

If the bad debt provision is made according to the general model of expected credit loss, please refer to the disclosure of other receivables:

√Applicable Not Applicable

Account age	End of June 2021		
	Estimated book balance in default	Expected credit loss rate (%)	Expected credit loss for the duration
Within 1 year	94,038,987.25	0.01	152,655.56
1 - 2 years	100,234.00	5.66	5,674.25
2 - 3 years	352,588.44	15.16	53,435.48

Total	94,491,809.69		211,765.29
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(3). Provisions for bad debts
Applicable Not Applicable

Unit: RMB

Category	Opening balance	Amount of change during the current period		Closing balance
		Provision	Recovery or reversal	
Bad debt provision for accounts receivable	130,276.83	6,990,264.17	646,868.61	6,473,672.39
Total	130,276.83	6,990,264.17	646,868.61	6,473,672.39

In which the recovered or reversed amount is important:

Applicable Not Applicable
(4). Accounts receivable actually written off during the current period
Applicable Not Applicable
(5). Accounts receivable from the five debtors with the highest closing balance
Applicable Not Applicable

Unit: RMB

Debtor	Closing balance	Proportion in the total closing balance of accounts receivable (%)	Closing balance of bad debt provision
Total balance of the accounts receivable with the top five entities	8,508,287.04	4.44	82,077.26
Total	8,508,287.04	4.44	82,077.26

Other statements

The Group is mainly engaged in market operation, hotel services and commodity sales, and the balance of receivables is mainly based on the market operation of commercial rate receivables, hotel consumption, trade receivables and advertising publishing fees.

(6). Accounts receivable derecognized due to transfer of financial assets
Applicable Not Applicable
(7). Amounts of assets and liabilities formed by the transfer of accounts receivable and continuing involvement
Applicable Not Applicable

Other notes:

Applicable Not Applicable
6. Accounts receivable financing
Applicable Not Applicable

7. Prepayments**(1). Presentation of prepayment by account age**√Applicable Not Applicable

Unit: RMB

Account age	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	868,252,359.56	99.21	102,657,415.19	97.59
1 to 2 years	6,212,572.92	0.71	2,329,113.07	2.22
2 to 3 years	602,777.00	0.07	-	-
Over 3 years	100,000.00	0.01	201,000.00	0.19
Total	875,167,709.48	100	105,187,528.26	100

Explanation for failure to settle the prepayments with an account age longer than one year and in important amounts:

None

(2). Prepayments to the five suppliers with the highest closing balance√Applicable Not Applicable

Debtor	Closing balance	Proportion in total closing balance of prepayments (%)
PACIFIC SEAFOOD TRADER SA	84,334,516.52	9.64
Sociedad Nacional de Galapagos C.A. SONGA	40,474,343.32	4.62
Yiwu Zuqing Commodity Co., Ltd.	42,928,301.09	4.91
PROCESADORA DE MARISCOS DE EL ORO PROMARO S.A.	36,062,941.54	4.12
FALCON MARINE EXPORTS LTD.,	24,255,029.78	2.77
Total	228,055,132.25	26.06

Other statements

None

Other statements

Applicable Not Applicable**8. Other receivables****Presentation of items**√Applicable Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Interest receivable	92,249,275.44	121,401,210.48
Other receivables	1,263,675,007.52	2,579,341,575.87
Total	1,355,924,282.96	2,700,742,786.35

Other notes:

Applicable Not Applicable**Interest receivable****(1). Classification of interest receivable**√Applicable Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Cash occupation fee for receivables	92,249,275.44	121,401,210.48
Total	92,249,275.44	121,401,210.48

(2). Significant overdue interestApplicable Not Applicable**(3). Bad debt provision**Applicable Not Applicable

Other notes:

Applicable Not Applicable**Dividend receivable****(1). Dividend receivable**Applicable Not Applicable**(2). Important dividend receivable with an account age longer than 1 year**Applicable Not Applicable**(3). Bad debt provision**Applicable Not Applicable

Other notes:

Applicable Not Applicable**Other receivables****(1). Disclosure based on account age**Applicable Not Applicable

Unit: RMB

Account age	Closing book balance
Within 1 year	133,457,994.19
1 to 2 years	1,113,635,528.49
2 to 3 years	732,296.38
Over 3 years	20,204,272.92
Bad debt provision for other receivables	-4,355,084.46
Total	1,263,675,007.52

(2). Classification based on the nature of accountsApplicable Not Applicable

Unit: RMB

Nature of receivable	Closing book balance	Opening book balance
Financial grants receivables from joint ventures and associated enterprises	1,103,178,748.00	2,480,172,779.00
Withholdings, deposit and margin	125,377,518.60	59,045,233.81
Receivables from export tax rebate	34,759,474.84	4,841,801.31
Reserve	359,266.08	523,397.65
Receivables from self-operated land	-	42,493,714.00
Total	1,263,675,007.52	2,587,076,925.77

(3). Bad debt provisionApplicable Not Applicable

Unit: RMB

Bad debt provision	Phase 1	Phase 2	Phase 3	Total
	Expected credit loss in the coming 12 months	Expected credit loss in the entire duration (credit has not been impaired)	Expected credit loss in the entire duration (credit has been impaired)	
Balance as of January 1, 2021	3,768,512.43			3,768,512.43
Balance as of January 1, 2021 in the current period				
Provision made in the current period	1,309,763.41			1,309,763.40
Current reversal	353,464.30			353,464.30
Current write-off	369,727.08			369,727.07
Balance as at 31 December 2021	4,355,084.46			4,355,084.46

Significant changes in the book balance of other receivables with changes in loss provisions:

Applicable Not Applicable

Basis for the bad debt provision made in the current period and for assessing whether the credit risk of financial instruments has increased significantly:

Applicable Not Applicable

(4). Provisions for bad debts

Applicable Not Applicable

Unit: RMB

Category	Opening balance	Amount of change during the current period			Closing balance
		Provision	Recovery or reversal	Charge-off or write-off	
Bad debt provision for other receivables	3,768,512.43	1,309,763.41	353,464.30	369,727.08	4,355,084.46
Total	3,768,512.43	1,309,763.41	353,464.30	369,727.08	4,355,084.46

In which the recovered or reversed amount is important:

Applicable Not Applicable

(5). Other receivables actually written off during the current period

Applicable Not Applicable

(6). Other receivables from the five debtors with highest closing balance

Applicable Not Applicable

Unit: RMB

Debtor	Nature of receivable	Closing balance	Account age	Weight in the total closing balance of other receivables (%)	Bad debt provision Closing balance
Yiwu Tonghui Shangbo Real Estate Co., Ltd.	Financial assistance	880,728,548.00	1-2 years	69.46	-
Yiwu Handing Shangbo Real Estate Co., Ltd.	Financial assistance	222,450,200.00	1-2 years	17.54	-
Yisha Chengdu International Trade City Co., Ltd.	Temporary loan	40,000,000.00	Within 1 year	3.15	-

Yiwu Taxation Bureau, State Administration of Taxation	Export tax rebate	34,759,474.84	Within 1 year	2.74	-
Logistis Quelfor s.r.o.	Guarantee deposit	4,985,493.99	1-2 years	0.39	
Total	/	1,182,923,716.83	/	93.28	-

(7). Receivables involving government grants

√Applicable □Not Applicable

Unit: RMB

Debtor	Government subsidy project name	Closing balance	Closing Aging	Estimated time, amount and basis for collection
Yiwu Taxation Bureau, State Administration of Taxation	Export tax rebate	34,759,474.84	Within one year	April 2022, 34,759,474.84, "Interim Regulations of the People's Republic of China on Value Added Tax"

Other statements
None**(8). Other receivables derecognized due to transfer of financial assets**

□Applicable √Not Applicable

(9). Amounts of assets and liabilities formed by the transfer of accounts receivable and continuing involvement

□Applicable √Not Applicable

Other notes:

□Applicable √Not Applicable

9. Inventory**(1). Classification of inventory**

√Applicable □Not Applicable

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for inventory depreciation/provision for impairment of contract performance cost	Book value	Book balance	Provision for inventory depreciation/provision for impairment of contract performance cost	Book value
Raw materials	723,775.34	-	723,775.34	402,020.27	-	402,020.27
Finished goods	75,079,555.38	-	75,079,555.38	75,506,826.35	-	75,506,826.35
Development cost	347,123,927.41	28,303,338.06	318,820,589.35	341,654,440.82	28,303,338.06	313,351,102.76
Development products	928,561,037.31	-	928,561,037.31	932,153,659.76	-	932,153,659.76

Work-in-progress materials	4,217,610.61	-	4,217,610.61	8,054,119.03	-	8,054,119.03
Total	1,355,705,906.05	28,303,338.06	1,327,402,567.99	1,357,771,066.23	28,303,338.06	1,329,467,728.17

(2). Provision for inventory depreciation/provision for impairment of contract performance cost

Applicable Not Applicable

Unit: RMB

Item	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Provision	Others	Charge-off or write-off	Others	
Development cost	28,303,338.06	-	-	-	-	28,303,338.06
Total	28,303,338.06	-	-	-	-	28,303,338.06

(3). Closing balance of inventory containing capitalized borrowing costs

Applicable Not Applicable

On December 31, 2021, the inventory with a book value of RMB 35,797,443.87 (December 31, 2020: RMB 35,797,443.87) was formed by capitalization of borrowing costs.

(4). Amortization of contract performance cost during the current period

Applicable Not Applicable

Other statements

Applicable Not Applicable

Inventory-Development Cost Unit: RMB-yuan Currency: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Haicheng Phase I Business Street	67,907,950.27	-	-	67,907,950.27
Haicheng Phase II Business Street	273,746,490.55	5,469,486.59	-	279,215,977.14
Total	341,654,440.82	5,469,486.59	-	347,123,927.41

Inventory-Developed Products Unit: RMB-yuan Currency: RMB

Item	Opening balance	Increase in the current period	Delivered during current reporting period	Other transfer-out	Closing balance
Haicheng Phase I Business Street	918,976,130.79	-	-	3,360,000.00	915,616,130.79
Qiantang Yinxiang	238,807.22	-	238,807.22	-	-
Shuangchuang Building	12,938,721.75	6,184.77	-	-	12,944,906.52
Total	932,153,659.76	6,184.77	238,807.22	3,360,000.00	928,561,037.31

10. Contract assets

(1). Overview of contract assets

Applicable Not Applicable

(2). Amount of and reasons for material changes to book value during the reporting period

Applicable Not Applicable

(3). Provision for impairment of contract assets in the current period

Applicable Not Applicable

If the bad debt provision is made according to the general model of expected credit loss, please refer to the disclosure of other receivables:

Applicable Not Applicable

Other notes:

Applicable Not Applicable

11. Held-for-sale assets

Applicable Not Applicable

12. Non-current assets due within one year

Applicable Not Applicable

Important debt investments and other debt investments at the end of the period:

Applicable Not Applicable

Other statements

None

13. Other current assets

Applicable Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
To-be-deducted input tax	234,080,141.55	162,435,010.24
Prepaid land transfer fees	7,629,349.00	-
To-be-certified input tax	4,357,934.03	14,195,996.43
Entrusted loans to the market traders	2,780,294.82	3,279,187.50
Less: bad debt provision for entrusted loans	-185,500.00	-185,500.00
Total	248,662,219.40	179,724,694.17

Other statements

None

14. Debt investments**(1). Overview of debt investment**

Applicable Not Applicable

(2). Important debt investment as of the close of the reporting period

Applicable Not Applicable

(3). Provision for impairment

Applicable Not Applicable

Amount of impairment provision for the current period and the basis for assessing whether there is significant increase in the credit risk of financial instruments

Applicable Not Applicable

Other statements

Applicable Not Applicable

15. Other debt investments**(1). Overview of other debt investment**

Applicable Not Applicable

(2). Important other debt investment as of the close of the reporting period

Applicable Not Applicable

(3). Provision for impairment

Applicable Not Applicable

Amount of impairment provision for the current period and the basis for assessing whether there is significant increase in the credit risk of financial instruments

Applicable Not Applicable

Other notes:

Applicable Not Applicable

16. Long-term receivables**(1). Overview of long-term receivables**

Applicable Not Applicable

Unit: RMB

Item	Closing balance			Opening balance			Range of discount rate
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value	
Guarantee deposit	7,555,361.89		7,555,361.89	6,302,088.07		6,302,088.07	
Financial assistance receivable from joint ventures	214,752,001.51		214,752,001.51	126,756,573.81	-	126,756,573.81	
Total	222,307,363.40		222,307,363.40	133,058,661.88	-	133,058,661.88	/

(2). Bad debt provision

Applicable Not Applicable

Amount of bad debt provision for the current period and the basis for assessing whether there is significant increase in the credit risk of financial instruments

Applicable Not Applicable

(3). Long-term receivables derecognized due to transfer of financial assets

Applicable Not Applicable

(4). Amounts of assets and liabilities formed by the transfer of long-term receivables and continuing involvement

Applicable Not Applicable

Other statements

Applicable Not Applicable

17. Long-term equity investment

Applicable Not Applicable

Unit: RMB

Investee	Opening amount Balance	Change in the current period					Closing amount Balance	Closing balance of impairment
		Additional investment	Decrease in investment	Investment gains or losses recognized with the equity method	Change in other benefits	Declared a cash dividend or profit		

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								provision
1. Joint ventures								
Yiwu Shanglv	365,830,756.91			17,837,597.30			383,668,354.21	
Yiwu Rongshang Property Co., Ltd.	22,319,075.64			195,068,462.30			217,387,537.94	
Yiwu Chuangcheng Property Co., Ltd.	11,444,786.74			76,618,539.06			88,063,325.80	
Others	15,284,720.18	17,850,000.00		23,678,584.58			56,813,304.76	3,327,216.16
Sub-total	414,879,339.47	17,850,000.00		313,203,183.24			745,932,522.71	3,327,216.16
2. Associates								
Binjiang Shangbo	154,152,267.42			17,523,961.66		137,200,000.00	34,476,229.08	
Huishang Micro-finance	71,396,566.07			11,428,130.57			82,824,696.64	
Yiwu Huishang Redbud Equity Investment Co., Ltd.	78,072,569.23		17,223,611.38	16,057,218.98		5,909,184.62	70,996,992.21	
Chouzhou Financial Lease	371,320,662.02			54,700,187.22			426,020,849.24	
Yiwu China Commodities City Investment Management Co., Ltd.	-						-	9,508,049.22
Yiwu China Commodities City Fuxing Investment Center (limited partnership)	102,918,559.00						102,918,559.00	
Pujiang Lvgu Property Co., Ltd.	379,672,466.65			79,608,970.60			459,281,437.25	
CCCCP	1,471,572,953.91	1,225,000,000.00		60,365,490.42			2,756,938,444.33	
Yiwu Hongyi Equity Investment Fund Partnership (limited partnership)	689,756,805.12	150,000,000.00		48,115,457.34			887,872,262.46	
Others	99,155,313.82	103,366,783.24		-1,822,274.45	4,493,427.31		205,193,249.92	
Sub-total	3,418,018,163.24	1,478,366,783.24	17,223,611.38	285,977,142.34	4,493,427.31	143,109,184.62	5,026,522,720.13	9,508,049.22
Total	3,832,897,502.71	1,496,216,783.24	17,223,611.38	599,180,325.58	4,493,427.31	143,109,184.62	5,772,455,242.84	12,835,265.38

Other statements

Provision for impairment of long-term equity investment :

Unit: RMB

Investee	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Yiwu China Commodities City Investment Management Co., Ltd. (Note 1)	9,508,049.22	-	-	9,508,049.22
Others	3,327,216.16	-	-	3,327,216.16
Total	12,835,265.38	-	-	12,835,265.38

Note 1: In 2017, Yiwu China Commodities City Financial Holdings Co., Ltd. (hereinafter referred to as "CCCCF"), a wholly-owned subsidiary of the Group, and Shanghai Fuxing Industrial Group Co., Ltd. (hereinafter referred to as "Fuxing") jointly established Industrial Fund Yiwu China Commodities City Fuxing Investment Center (LLP) (hereinafter referred to as the "Funds of Funds"), the Fund of Funds has invested in 12 sub-funds including Yiwu Shangfu Chuangzhi Investment Center (LLP) (hereinafter referred to as "Shangfu Chuangzhi Fund"). CCF, as a limited partner, subscribed RMB 998 million in the FOF, accounting for 49.9% of the subscribed capital. The paid-in capital was RMB 102.92 million, and there is no deadline for the payment for the unpaid capital contribution. The other limited partner of the FOF is Fuxing. CCF also contributed RMB 9.8 million, 49% of total shares, to jointly establish Yiwu China Commodity City Investment Management Co., Ltd. (hereinafter referred to as "CCCIM") with Fuxing as the general partner of the above-mentioned FOF and sub-funds. The FoF and CCCIM are both under the control of Fuxing and are associates of CCF. The above paid-in capital contribution made by CCF to the FoF has been contributed to

Shangfu Chuangzhi Fund together with the capital contribution of Fuxing to the FoF through the FoF as a limited partner. With the capital contribution from the FoF as a limited partner and CCCF's capital contribution to Shangfu Chuangzhi Fund as a limited partner, Shangfu Chuangzhi Fund made capital contribution of RMB820.54million to subscribe for the increase in the registered capital of Hubei Provincial Asset Management Co., Ltd. to acquire 22.667% equity therein.

In 2018, CCCF learned during its after-investment follow-up management that Fuxing and its actual controller ZHU Yidong were suspected of having committed a criminal offense and the 22.667% equity held by Shangfu Chuangzhi Fund in Hubei Provincial Asset Management Co., Ltd. was frozen by the Public Security Bureau of Shanghai due to Fuxing's contribution to the sources of the capital contribution. The Group believes that, on December 31, 2021, the Group's investment in the Fund of Funds and Shangfu Chuangzhi Fund was non-related to Fuxing's investment, and there was no indication of impairment of the underlying assets. Although they were still frozen, but without affecting the Group's equity. Therefore, there was no impairment. However, for the equity investment managed for the Yiwu CCC, a full impairment provision has been made since 2018. See Notes VII.81 and Notes XIV. 1 for details.

18. Other equity instruments investment

(1). Overview of other equity instruments investment

Applicable Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Shenwan Hongyuan Group Co., Ltd.	642,187,968.77	662,256,342.79
Total	642,187,968.77	662,256,342.79

(2). Non-trading equity instruments investment

Applicable Not Applicable

Other notes:

Applicable Not Applicable

19. Other non-current financial assets

Applicable Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Unlisted equity investment	213,607,388.98	134,582,725.75
PE investment	1,263,329,797.13	1,341,220,243.72
NEEQ equity investment	47,882,069.30	48,122,280.34
Total	1,524,819,255.41	1,523,925,249.81

Other notes:

Applicable Not Applicable

20. Property investment

Measurement models

(1). Property investment measured by cost

Unit: RMB

Item	Buildings and structures	Land use right	Total
I. Original book value			
1. Opening balance	1,952,906,526.61	428,095,086.44	2,381,001,613.05
2. Increase in the current period	1,109,483,031.70	10,665,898.19	1,120,148,929.89
(1) Outsourcing	-	10,665,898.19	10,665,898.19

(2) Inventory\fixed assets\construction in progress changed into property investment	1,109,483,031.70	-	1,109,483,031.70
4. Closing balance	3,062,389,558.31	438,760,984.63	3,501,150,542.94
II. Accumulated depreciation and accumulated amortization			
1. Opening balance	352,149,349.88	68,425,971.44	420,575,321.32
2. Increase in the current period	93,669,647.35	12,969,173.81	106,638,821.16
(1) Provision or amortization	93,669,647.35	12,969,173.81	106,638,821.16
4. Closing balance	445,818,997.23	81,395,145.25	527,214,142.48
III. Depreciation provision			
1. Opening balance	-	-	-
4. Closing balance	-	-	-
IV. Book value			
1. Opening book value	2,616,570,561.08	357,365,839.38	2,973,936,400.46
2. Closing book value	1,600,757,176.73	359,669,115.00	1,960,426,291.73

(2). Information of investment real estate without property right certificates

√Applicable □Not Applicable

Unit: RMB

Item	Book value	Reasons for having not obtained the ownership certificate
Office building of the auxiliary project in western Yiwu	103,736,942.74	Completion settlement not completed
Total	103,736,942.74	

Other statements

√Applicable □Not Applicable

As of December 31, 2021, the total amount of investment real estate for which the property right certificates had not been received due to the final settlement was still in progress was RMB 103,736,942.74.

21. Fixed assets**Presentation of items**

√Applicable □Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Fixed assets	5,078,590,929.75	5,234,293,786.87
Total	5,078,590,929.75	5,234,293,786.87

Other notes:

□Applicable √Not Applicable

Fixed assets**(1). Overview of fixed assets**

√Applicable □Not Applicable

Unit: RMB

Item	Buildings and structures	Machinery equipment	Transportation equipment	Total
I. Original book value:				
1. Opening balance	7,419,947,051.90	3,785,579,073.90	17,844,183.85	11,223,370,309.65
2. Increase in the current period	142,043,463.99	95,500,592.38	985,758.82	238,529,815.19

(1) Purchase	1,742,482.55	50,062,006.86	985,758.82	52,790,248.23
(2) Changeover from construction in progress	140,300,981.44	45,159,824.47	-	185,460,805.91
(4) Other transfer-in	-	278,761.05	-	278,761.05
3. Decrease in the current period	3,366.44	13,881,195.30	5,504,327.05	19,388,888.79
(1) Disposal or retirement	3,366.44	13,881,195.30	5,504,327.05	19,388,888.79
(2) Other changeover			-	-
4. Closing balance	7,561,987,149.45	3,867,198,470.98	13,325,615.62	11,442,511,236.05
II. Accumulated depreciation				
1. Opening balance	2,443,460,695.43	3,061,676,908.45	12,775,451.05	5,517,913,054.93
2. Increase in the current period	286,194,882.11	104,750,015.62	982,547.28	391,927,445.01
(1) Provision	286,194,882.11	104,750,015.62	982,547.28	391,927,445.01
3. Decrease in the current period	-	11,793,932.72	5,289,728.77	17,083,661.49
(1) Disposal or retirement	-	11,793,932.72	5,289,728.77	17,083,661.49
4. Closing balance	2,729,655,577.54	3,154,632,991.35	8,468,269.56	5,892,756,838.45
III. Depreciation provision				
1. Opening balance	471,163,467.85	-	-	471,163,467.85
4. Closing balance	471,163,467.85	-	-	471,163,467.85
IV. Book value				
1. Closing book value	4,361,168,104.06	712,565,479.63	4,857,346.06	5,078,590,929.75
2. Opening book value	4,505,322,888.62	723,902,165.45	5,068,732.80	5,234,293,786.87

(2). Temporarily idle fixed assets

Applicable Not Applicable

(3). Fixed assets leased in through financial lease

Applicable Not Applicable

Unit: RMB

Item	Original book value	Accumulated depreciation	Impairment provision	Book value
General equipment	6,084,431.99	5,841,054.71	-	243,377.28

(4). Fixed assets leased out through operating lease

Applicable Not Applicable

(5). Fixed assets for which the ownership certificates have not been obtained

Applicable Not Applicable

Unit: RMB

Item	Book value	Reasons for having not obtained the ownership certificate
Huangyuan Clothing Market	259,100,829.23	Completion settlement not completed
CCC Hotel	53,939,512.13	Completion settlement not completed
Liaoning Xiliu Yiwu China Commodity City	392,075,717.75	Completion settlement not completed
Underground space of Yixi supporting project	497,104,194.34	Completion settlement not completed
Total	1,202,220,253.45	

Other notes:

Applicable Not Applicable

The impairment of fixed assets was RMB 471,163,467.85, which was the impairment of fixed assets of Haicheng Yiwu China Commodities City.

As of December 31, 2021, the total amount of property, plant and equipment for which the property right certificates had not been received due to the final settlement was still in progress was RMB 1,202,220,253.45.

Disposal of fixed assets

Applicable Not Applicable

22. Construction in progress

Presentation of items

Applicable Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Construction in progress	1,090,577,963.27	982,891,877.14
Total	1,090,577,963.27	982,891,877.14

Other notes:

Applicable Not Applicable

Construction in progress

(1). Overview of construction in progress

Applicable Not Applicable

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
West Yiwu International Means of Production Market Auxiliary Project	212,637,292.78	-	212,637,292.78	166,382,416.70	-	166,382,416.70
Liaoning Xiliu Yiwu China Commodities City Commerce Phase I Project—Hotel Project	32,290,506.33	-4,635,059.96	27,655,446.37	32,290,506.33	-4,635,059.96	27,655,446.37
The Zhimei Dachen Tourism Project	58,285,106.90	-	58,285,106.90	43,194,369.48	-	43,194,369.48
The Chian West Sea Tourism Project	68,040,671.22	-	68,040,671.22	54,552,839.23	-	54,552,839.23
The renovation project of Yindu Hotel and Office Building	-	-	-	55,553,736.33	-	55,553,736.33
The Yiwu Comprehensive Bonded Zone Project	357,114,238.02	-	357,114,238.02	505,797,275.02	-	505,797,275.02
The business station project of the warehouse park of the Yiwu CCC	-	-	-	89,894,127.82	-	89,894,127.82
The lighting project in Zone IV	-	-	-	29,724,101.17	-	29,724,101.17
Zone II East Parking Lot Project	276,099,117.75	-	276,099,117.75	7,346,035.44	-	7,346,035.44
Yiwu Digital Trade Industrial Park	60,070,777.68	-	60,070,777.68	-	-	-
Other projects	30,675,312.55	-	30,675,312.55	2,791,529.58	-	2,791,529.58
Total	1,095,213,023.23	-4,635,059.96	1,090,577,963.27	987,526,937.10	-4,635,059.96	982,891,877.14

(2). Changes to important construction in progress during the current period

Applicable Not Applicable

Unit: RMB10,000

Item	Budget	Opening amount Balance	Increase in the current period	Amount changed into fixed assets	Closing amount Balance	Ratio of accumulated investment to budget (%)	Progress of project	Accumulated capitalized interest	In which: capitalized interest in the current period	Interest capitalization ratio for the current period (%)	Source of funds
West Yiwu International Means of Production Market Auxiliary Project	133,916.00	16,638.24	4,625.49	-	21,263.73	83.76	Under construction	9,938.28	1,024.58	3.53	Self-owned/financing
Liaoning Xiliu Yiwu China Commodities City Commerce Phase I Project—Hotel Project	180,000.00	3,229.05	-	-	3,229.05	96.32	Shutdown	154.61	-		Self-owned/financing
The Zhimei Dachen Tourism Project	6,000.00	4,319.44	1,509.07	-	5,828.51	97.14					Self-owned
The Chian West Sea Tourism Project	8,000.00	5,455.28	1,348.78	-	6,804.06	85.05					Self-owned
The renovation project of Yindu Hotel and Office Building	25,000.00	5,555.37	17,577.42	23,132.79	-	92.53					Self-owned
The Yiwu Comprehensive Bonded Zone Project	624,250.00	50,579.73	90,342.12	105,210.43	35,711.42	67.97	Under construction				Self-owned
The business station project of the warehouse park of the Yiwu CCC	19,000.00	8,989.41	1,378.56	10,367.97	-	54.57					Self-owned
The lighting project in Zone IV	4,000.00	2,972.41	-3.24	2,969.17	-	74.23					Self-owned
Zone II East Parking Lot Project	60,706.00	734.60	26,875.31	-	27,609.91	46.37					Self-owned
Yiwu Digital Trade Industrial Park	39,579.00	-	6,007.08	-	6,007.08	1.52					Self-owned
Other projects		279.16	4,426.65	1,638.27	3,067.54						Self-owned
Total	1,100,451.00	98,752.69	154,087.24	143,318.63	109,521.30	/	/	10,092.89	1,024.58	/	/

(3). Provision made for the impairment of construction in progress in the current period

Applicable Not Applicable

Other statements

Applicable Not Applicable

The impairment value of the project under construction is RMB 4,635,059.96, which is the provision impairment of Liaoning Xiliu Yiwu China Commodities City Commerce Phase I Project—Hotel Project.

Construction materials

(1). Engineering materials

Applicable Not Applicable

23. Productive biological asset

(1). Productive biological asset measured by cost

Applicable Not Applicable

(2). Productive biological asset measured by fair value

Applicable Not Applicable

Other statements

Applicable Not Applicable

24. Oil and gas assets

Applicable Not Applicable

25. Right-of-use assets

√Applicable □Not Applicable

Unit: RMB

Item	Buildings and structures	Total
I. Original book value		
1. Opening balance	249,646,048.55	249,646,048.55
2. Increase in the current period	4,981,462.16	4,981,462.16
(1) Lease in	4,981,462.16	4,981,462.16
4. Closing balance	254,627,510.71	254,627,510.71
II. Accumulated depreciation		
1. Opening balance	-	-
2. Increase in the current period	29,280,433.57	29,280,433.57
(1) Provision	29,280,433.57	29,280,433.57
4. Closing balance	29,280,433.57	29,280,433.57
III. Depreciation provision		
1. Opening balance	-	-
4. Closing balance	-	-
IV. Book value		
1. Opening book value	225,347,077.14	225,347,077.14
2. Closing book value	249,644,048.55	249,646,048.55

Other notes:

None

26. Intangible assets**(1). Overview of intangible assets**

√Applicable □Not Applicable

Unit: RMB

Item	Land use right	Software	Total
I. Original book value			
1. Opening balance	5,390,387,256.44	19,279,040.17	5,409,666,296.61
2. Increase in the current period	230,390,400.00	53,125,410.15	283,515,810.15
(1) Purchase	230,390,400.00	53,125,410.15	283,515,810.15
3. Decrease in the current period	-	314,178.16	314,178.16
(1) Disposal	-	314,178.16	314,178.16
4. Closing balance	5,620,777,656.44	72,090,272.16	5,692,867,928.60
II. Accumulated amortization			
1. Opening balance	1,504,667,791.47	4,217,523.22	1,508,885,314.69
2. Increase in the current period	137,398,312.25	3,124,477.63	140,522,789.88
(1) Provision	137,398,312.25	3,124,477.63	140,522,789.88
3. Decrease in the current period	-	104,838.32	104,838.32

(1) Disposal	-	104,838.32	104,838.32
4. Closing balance	1,642,066,103.72	7,237,162.53	1,649,303,266.25
III. Depreciation provision			
1. Opening balance	-	-	-
4. Closing balance	-	-	-
IV. Book value			
1. Opening book value	3,978,711,552.72	64,853,109.63	4,043,564,662.35
2. Closing book value	3,885,719,464.97	15,061,516.95	3,900,780,981.92

At the end of the period, the percentage of the intangible assets formed through the Company's internal research and development in the balance of intangible assets was 0.71%

(2). Land use right for which the ownership certificate has not been obtained

Applicable Not Applicable

Other notes:

Applicable Not Applicable

27. Development expenses

Applicable Not Applicable

Unit: RMB

Item	Opening amount Balance	Increase in the current period	Decrease in the current period	Closing amount Balance
		Internal development expenditure	Recognized as intangible assets	
The development project for platform "chinagoods"	22,223,061.09	28,600,354.03	44,463,601.10	6,359,814.02
Total	22,223,061.09	28,600,354.03	44,463,601.10	6,359,814.02

Other statements

None

28. Goodwill

(1). Original book value of goodwill

Applicable Not Applicable

(2). Provision for goodwill impairment

Applicable Not Applicable

(3). Information on the assets Group or combination of assets Groups to which the goodwill belongs

Applicable Not Applicable

(4). Goodwill impairment test process, key parameters (e.g. growth rate in the forecast period, growth rate in the stable period, profit margin, discount rate, forecast period for the estimate of present value of future cash flows, if applicable) and recognition of goodwill impairment loss

Applicable Not Applicable

(5). Impact of goodwill impairment test

Applicable Not Applicable

Other statements

Applicable Not Applicable**29. Long-term prepaid expenses**Applicable Not Applicable

Unit: RMB

Item	Opening balance	Increase in the current period	Amortized amount in the current period	Closing balance
Decoration of buildings and structures	101,767,311.81	133,097,867.38	59,993,339.89	174,871,839.30
Advertising facilities	3,586,262.55	12,130,450.31	2,404,175.73	13,312,537.13
Total	105,353,574.36	145,228,317.69	62,397,515.62	188,184,376.43

Other notes:

None

30. Deferred income tax assets/deferred income tax liabilities**(1). Deferred income tax assets having not been offset**Applicable Not Applicable

Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Provision for impairment of assets	18,766,810.88	4,691,702.72	18,551,468.79	4,637,867.20
Unrealized profits of internal transactions	1,094,793.10	273,698.28	1,094,793.10	273,698.27
Deductible losses	10,635,059.71	2,658,764.93	19,006,883.14	4,751,720.78
Recognized but unpaid liabilities	359,852,941.25	89,963,235.31	268,732,373.15	67,183,093.30
Overspent advertising cost	8,497,106.53	2,124,276.63	9,689,617.59	2,422,404.41
Changes in the fair value of other non-current financial assets	87,763,868.16	21,940,967.04	81,582,179.51	20,395,544.88
Right-of-use assets and lease liabilities	3,291,235.93	822,808.98	-	-
Asset-related government grants	53,046,300.00	13,261,575.00	-	-
Total	542,948,115.56	135,737,028.89	398,657,315.28	99,664,328.84

(2). Deferred income tax liabilities having not been offsetApplicable Not Applicable

Unit: RMB

Item	Closing balance		Opening balance	
	Taxable temporary difference	Deferred income tax Debt	Taxable temporary difference	Deferred income tax Debt
Asset evaluation appreciation for merger of the enterprises not under common control	879,727.84	219,931.94	1,068,720.92	267,180.23

Change in fair value of other equity instruments investment	88,562,537.79	22,140,634.45	108,630,911.81	27,157,727.95
Changes in fair value of other non-current financial assets	357,773,989.10	89,443,497.28	343,005,960.28	85,751,490.08
Changes in fair value of trading financial assets	373,599.00	93,399.75	1,706,102.10	426,525.53
Total	447,589,853.73	111,897,463.42	454,411,695.11	113,602,923.79

(3). Deferred income tax assets or liabilities presented in net amount after offsetting

Applicable Not Applicable

(4). Breakdown of unrecognized deferred income tax assets

Applicable Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Deductible temporary difference	485,392,932.16	466,278,633.25
Deductible losses	1,090,714,817.48	908,844,380.05
Total	1,576,107,749.64	1,375,123,013.30

(5). The deductible loss in unrecognized deferred income tax assets will be due in the following years

Applicable Not Applicable

Unit: RMB

Year	Closing amount	Opening amount	Remarks
2021	-	34,738,115.44	
2022	245,346,275.18	245,346,275.18	
2023	145,652,609.01	145,652,609.01	
2024	219,603,443.50	226,329,502.26	
2025	236,606,485.47	256,777,878.16	
2026	243,506,004.32	-	
Total	1,090,714,817.48	908,844,380.05	/

Other notes:

Applicable Not Applicable

The Group believes that, the deductible temporary differences including the aforementioned provision for asset impairment and the deductible losses of some subsidiaries can be deducted in the foreseeable future, and it is expected that the Group will have sufficient pre-tax profit for deduction during the reversing period. Therefore, the Group deemed it necessary to recognize the above deferred income tax assets.

31. Other non-current assets

Applicable Not Applicable

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Prepaid land transfer fees	138,253,316.00	-	138,253,316.00	138,253,316.00	-	138,253,316.00
Prepayment for renovation works and prepaid decoration rent	5,681,334.45	-	5,681,334.45	14,241,880.56	-	14,241,880.56

Prepaid equity transfer consideration	67,395,000.00	-	67,395,000.00	-	-	-
Total	211,329,650.45	-	211,329,650.45	152,495,196.56	-	152,495,196.56

Other notes:
None

32. Short-term borrowings

(1). Classification of short-term borrowings

Applicable Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Credit loans	942,736,046.04	1,257,179,389.40
Total	942,736,046.04	1,257,179,389.40

Note to the classification of short-term borrowings:
None

(2). Overdue short-term borrowings

Applicable Not Applicable

The important overdue and unpaid short-term loans are as follows:

Applicable Not Applicable

Other statements

Applicable Not Applicable

As of December 31, 2021, the annual interest rate of the above-mentioned borrowing is 1.20%-3.915% (December 31, 2020: 1.20%-4.35%).

33. Held-for-trading financial liabilities

Applicable Not Applicable

34. Derivative financial liabilities

Applicable Not Applicable

35. Notes payable

(1). Presentation of notes payable

Applicable Not Applicable

36. Accounts payable

(1). Presentation of accounts payable

Applicable Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Accounts payable for market and auxiliary works projects	301,995,294.63	511,789,572.40
Trade payables	72,330,560.78	14,267,029.02
Accounts payable for procurement for the hotel project	58,722,226.25	26,767,337.63
Accounts payable for real estate projects	33,317,557.65	57,763,664.12
Others	26,994,789.71	25,876,199.06

Total	493,360,429.02	636,463,802.23
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(2). Important accounts payable with age over 1 year√Applicable Not Applicable

Unit: RMB

Item	Closing balance	Reasons for not being paid or carried forward
Accounts payable for real estate projects	6,484,732.17	Settlement has not been completed or the projects are within the warranty periods
Total	6,484,732.17	/

Other statements

√Applicable Not Applicable

The accounts payable are free of interest and are generally paid within two months after receipt of the payment notice or based on the project contracts and progress of projects. The balance payments for the projects are made after completion of settlement.

37. Advances from customers**(1). Presentation of advances from customers**√Applicable Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Rental advances	142,605,296.83	105,773,195.96
Others	10,961,014.30	6,979,701.29
Total	153,566,311.13	112,752,897.25

(2). Important advances with the age over 1 yearApplicable √Not Applicable

Other statements

√Applicable Not Applicable

Since the advances from customers are mainly derived from the advance rentals of auxiliary housing businesses and investment real estate with small individual amounts, as of December 31, 2021, there were no single large advances from customers with an age of more than 1 year.

38. Contract liabilities**(1). Overview of contract liabilities**√Applicable Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Advances from customers for use fee of shops	2,996,965,006.91	2,243,528,509.65
Advances from customers for goods	762,448,893.76	100,786,067.26
Advances from customers for housing purchase	178,756,399.38	3,856,621.50
Advances from customers for advertising fee	66,129,057.15	57,095,601.13
Advances from customers for loyalty of brands	17,997,985.07	3,270,729.29
Advances from customers for use fee of networking cables	14,150,457.59	10,534,354.07
Others	21,971,424.98	23,139,905.98

Total	4,058,419,224.84	2,442,211,788.88
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(2). Amount of and reasons for material changes to book value during the reporting period

□Applicable √Not Applicable

Other notes:

□Applicable √Not Applicable

39. Payroll payable**(1). Presentation of payroll payable**

√Applicable □Not Applicable

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Short-term compensation	159,703,155.55	613,854,934.39	532,105,325.85	241,452,764.09
II. Post employment benefits – defined contribution plan	1,795,841.98	29,714,756.98	28,998,607.67	2,511,991.29
III. Severance benefits	-	4,592,993.70	4,592,993.70	-
Total	161,498,997.53	648,162,685.07	565,696,927.22	243,964,755.38

(2). Presentation of short-term compensation

√Applicable □Not Applicable

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
1. Salary, bonus, allowance and subsidy	158,575,947.86	508,355,599.60	426,809,517.47	240,122,029.99
2. Employee benefits	-	45,147,496.52	45,147,496.52	-
3. Social security contribution	965,231.59	21,411,511.78	21,137,796.52	1,238,946.85
In which: contribution to medical insurance scheme	887,294.94	19,546,488.20	19,331,895.41	1,101,887.73
Contribution to work-related injury insurance scheme	48,011.60	770,986.78	790,071.51	28,926.87
Contribution to maternity insurance scheme	29,925.05	1,094,036.80	1,015,829.60	108,132.25
4. Housing provident fund	110,017.00	28,521,846.04	28,552,103.04	79,760.00
5. Contribution to trade union fund and employee education fund	51,959.10	10,418,480.45	10,458,412.30	12,027.25
Total	159,703,155.55	613,854,934.39	532,105,325.85	241,452,764.09

(3). Presentation of defined contribution plan

√Applicable □Not Applicable

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
1. Contribution to the basic endowment	1,665,658.10	28,708,041.18	28,031,295.88	2,342,403.40

insurance scheme				
2. Contribution to the unemployment insurance scheme	130,183.88	1,006,715.80	967,311.79	169,587.89
Total	1,795,841.98	29,714,756.98	28,998,607.67	2,511,991.29

Other notes:

Applicable Not Applicable

40. Tax payable

Applicable Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
VAT	83,766,540.18	90,094,604.12
Business tax	-240,013.55	-431,783.32
Corporate income tax	279,485,623.04	341,382,542.08
Individual income tax	1,260,803.19	1,008,552.21
Urban maintenance and construction tax	4,687,093.90	5,176,906.98
Land appreciation tax	2,780,327.20	-47,134,688.35
Real estate tax	171,138,711.99	93,881,697.54
Land use tax	10,612,069.24	5,357,865.24
Others	6,005,392.15	6,064,803.23
Total	559,496,547.34	495,400,499.73

Other notes:

As of December 31, 2021, the details of the main taxes prepaid by the Group were as follows:

Unit: RMB

Item	Qiantang Impression Real Estate Project	Occident Center Real Estate Project	Total amount of prepaid tax
Business tax	240,013.55	-	240,013.55
Urban maintenance and construction tax	-	731,793.32	731,793.32
Education surcharge and local education surcharge	-	522,709.51	522,709.51
Total	240,013.55	1,254,502.83	1,494,516.38

41. Other payables

Presentation of items

Applicable Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Other payables	1,908,742,835.15	1,646,345,561.62
Total	1,908,742,835.15	1,646,345,561.62

Other notes:

Applicable Not Applicable

Interest payable

(1). Presentation by category

Applicable Not Applicable

Dividend payable**(1). Presentation by category**

Applicable Not Applicable

Other payables**(1). Presentation of other payables by nature**

Applicable Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Withholdings, deposit and margin	598,819,336.72	584,880,967.08
Operating expenses payable	268,576,640.89	234,420,448.09
Bank reserve of Zhejiang Yiwugou E-commerce Co., Ltd.	25,823,767.03	23,223,609.46
Restricted equity incentive plan	137,440,900.00	137,298,000.00
Pending investment refunds	877,464,692.76	666,512,070.29
Others	617,497.75	10,466.70
Total	1,908,742,835.15	1,646,345,561.62

(2). Important other payables with account age over 1 year

Applicable Not Applicable

Other notes:

Applicable Not Applicable

Other payables mainly come from deposits for commercial spaces and bid deposits for engineering projects, with small individual amounts, so there were no important other payables with an age of more than 1 year on December 31, 2021.

42. Held-for-sale liabilities

Applicable Not Applicable

43. Non-current liabilities due within one year

Applicable Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Long-term borrowings within one year	100,918,614.59	300,634,822.21
Bonds payable due within 1 year	3,552,960,829.66	1,014,391,752.22
Lease liabilities due within 1 year	10,362,478.83	6,930,542.47
Total	3,664,241,923.08	1,321,957,116.90

Other notes:

None

44. Other current liabilities

Other current liabilities

Applicable Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Short-term financing notes payable	3,009,756,921.11	3,004,009,789.85
To-be-reported output tax	67,323,844.72	15,466,581.46

Dividend announced but not collected before listing	2,083,112.65	2,083,112.65
Dividend payable to to-be-recognized accounts	2,220,922.02	2,048,557.72
Total	3,081,384,800.50	3,023,608,041.68

Changes in short-term bonds payable:

Applicable Not Applicable

Unit: RMB

Bond Name	Face value	Issuing Date	Bond Term	Issuing Amount	Opening amount Balance	Current period Issuing	Interest accrued based on face value	Premium/discount amortization	Current period Repayment	Closing amount Balance
Super-short-term commercial paper	100	October 27, 2021	268 days	1,000,000,000	-	1,000,000,000	5,388,493.15	180,821.92	-	1,004,835,068.48
Super-short-term commercial paper	100	November 15, 2021	279 days	1,000,000,000	-	1,000,000,000	3,695,616.44	130,555.56	-	1,003,076,172.00
Super-short-term commercial paper	100	November 30, 2021	269 days	1,000,000,000	-	1,000,000,000	2,489,863.01	88,888.89	-	1,001,845,680.63
Super-short-term commercial paper	100	November 27, 2020	90 days	1,000,000,000	1,002,227,312.68	-	3,767,123.29	152,777.78	1,006,147,213.75	-
Super-short-term commercial paper	100	December 9, 2020	90 days	1,000,000,000	1,000,238,641.55	-	4,497,260.27	279,166.67	1,005,015,068.49	-
Super-short-term commercial paper	100	December 25, 2020	28 days	1,000,000,000	1,001,543,835.62	-	1,553,424.66	-	1,003,097,260.28	-
Total	/	/	/	6,000,000,000	3,004,009,789.85	3,000,000,000	21,391,780.82	832,210.82	3,014,259,542.52	3,009,756,921.11

Other notes:

Applicable Not Applicable

As of December 31, 2021, the annual interest rate of the above-mentioned short-term financing bonds was 2.48%-2.98% (December 31, 2020: 2.45%-2.70%).

45. Long-term borrowings

(1). Classification of long-term borrowings

Applicable Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Credit loans	771,250,000.00	282,000,000.00
Total	771,250,000.00	282,000,000.00

Notes on the classification of long-term borrowings:

None

Other notes, including the interest rate range:

Applicable Not Applicable

As of December 31, 2021, the annual interest rate of the above borrowing was 2.70%-3.92% (December 31, 2020: 2.70%-3.92%).

46. Bonds payable

(1). Bonds payable

Applicable Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
MTN	-	2,024,870,915.16
Bonds payable	-	1,527,290,794.52
Total	-	3,552,161,709.68

(2). Changes in bonds payable: (excluding preferred stocks, perpetual bonds and other financial instruments classified as financial liabilities)√Applicable Not Applicable

Unit: RMB

Bond Name	Face value	Issuing Date	Bond Term	Issuing Amount	Opening amount Balance	Current period Issuing	Interest accrued based on face value	Premium/discount amortization	Current period Repayment	Transferred in this year and due within one year	Closing amount Balance
MTN	100	July 15, 2019	3Y	1,000,000,000	1,017,879,350.82	-	39,900,000.00	384,201.20	-	1,018,263,552.02	-
MTN	100	October 21, 2019	3Y	1,000,000,000	1,006,991,564.34	-	39,700,000.00	414,918.78	-	1,007,406,483.12	-
Corporate bonds	100	June 5, 2019	3Y	800,000,000	819,791,780.82	-	34,400,000.00	-	-	819,791,780.82	-
Corporate bonds	100	September 25, 2019	3Y	700,000,000	707,499,013.70	-	27,930,000.00	-	-	707,499,013.70	-
Total	/	/	/	3,500,000,000	3,552,161,709.68	-	141,930,000.00	799,119.98	-	3,552,960,829.66	-

(3). Conditions and time for the conversion of convertible corporate bondsApplicable Not Applicable**(4). Notes on other financial instruments classified as financial liabilities**

Basic information of other financial instruments such as preferred shares and perpetual bonds outstanding at the end of the reporting period

Applicable Not Applicable

Changes in other financial instruments such as preferred shares and perpetual bonds outstanding at the end of the reporting period

Applicable Not Applicable

The basis for classifying other financial instruments as financial liabilities:

Applicable Not Applicable

Other notes:

Applicable Not Applicable**47. Lease liabilities**√Applicable Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Undiscounted amount of finance lease payables	334,659,632.28	229,574,650.88
Unrecognized financing charges	-118,354,479.52	-
Lease liabilities due within 1 year	-10,362,478.83	-
Total	205,942,673.93	229,574,650.88

Other notes:

Note: The Group uses the incremental borrowing rate of 2.78%-8.01% as the discount rate to calculate book value to determine the lease liability and measure right-of-use assets.

48. Long-term accounts payable**Presentation of items**

Applicable Not Applicable

Other notes:

Applicable Not Applicable

Long-term accounts payable**(1). Long-term payables by nature**

Applicable Not Applicable

Special accounts payable**(1). Special payables by nature**

Applicable Not Applicable

49. Long-term payroll payable

Applicable Not Applicable

50. Estimated liabilities

Applicable Not Applicable

Unit: RMB

Item	Opening balance	Closing balance	Cause of formation
Pending L/C losses	110,620,306.10	110,620,306.10	
Total	110,620,306.10	110,620,306.10	/

Other notes, including the notes on related important assumptions and estimates of important estimated liabilities:

In 2017, the letters of credit issued by the Group's subsidiary based on international trade agency business became overdue successively due to the principals' failure to make payments as agreed. Based on the principle of prudence, the Group recognized estimated liabilities for the estimated potential losses. On Apr 30, 2018, the Group lost control over the subsidiary due to its disposal of some equity in the subsidiary. As of December 31, 2021, the matter is currently under processing.

51. Deferred income

Overview of deferred income

Applicable Not Applicable

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Cause of formation
Asset-related government grants	26,545,277.30	53,046,300.00	1,421,473.68	78,170,103.62	
Total	26,545,277.30	53,046,300.00	1,421,473.68	78,170,103.62	/

Items involving government grants:

Applicable Not Applicable

Unit: RMB

Liability item	Opening balance	Increase in grant amount in the current	Amount recognized in other income	Closing balance	Asset-related or income-related
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		period	in the current period		
Subsidy for service industry cluster project	5,510,112.59	-	266,666.64	5,243,445.95	Asset-related
Interest subsidy for the international exhibition center construction fund	21,035,164.71	-	1,154,807.04	19,880,357.67	Asset-related
Subsidy for Yiwu Comprehensive Bonded Zone Project	-	53,046,300.00	-	53,046,300.00	Asset-related

Other notes:

Applicable Not Applicable

52. Other non-current liabilities

Applicable Not Applicable

53. Capital stock

Applicable Not Applicable

Unit: RMB

	Opening balance	Increase or decrease in the current period (+, -)					Closing balance
		Issuing New shares	Bonus shares	Provident funds Conversion into shares	Others	Sub-total	
Total number of shares	5,489,914,176.00	1,360,000.00	-	-	-	1,360,000.00	5,491,274,176.00

Other notes:

On August 9, 2021, the Group implemented a restricted equity incentive plan, granting 2,550,000 restricted stocks to incentive objects. On September 6, 2021, the Group received the restricted stock subscription payment of RMB 5,592,600.00 from the incentive objects, and the actual number of shares subscribed was 2,340,000 shares, which was verified by Zhejiang Zhicheng Certified Public Accountants (special general partnership), with a capital verification report (Zhe Zhi Kuai Yi Zi [2021] No. 17) issued for that.

After consideration and approval at the thirty-fifth meeting of the eighth the Board of Directors and the ninth meeting of the eighth Board of Supervisors of the Group held on August 9, 2021, in view of the fact that among the original incentive objects granted for the first time, 6 incentive objects including ZHAO Qitong no longer worked in the Company due to their position adjustments, and three incentive objects including HOU Wenbin had resigned due to personal reasons, according to the relevant regulations of the "Incentive Plan" and the authorization of the Fifth Provisional General Meeting of Shareholders in 2020, the Board of Directors of the Company decided to repurchase and canceled a total of 980,000 restricted shares granted to the above nine persons but yet to be released. The Company would repurchase and cancel the restricted shares held by the above-mentioned 9 persons that had been granted but not yet been released at the sum of interest calculated at RMB 2.885 per share and the fixed deposit interest rate announced by the People's Bank of China for the same period. The total amount of restricted stock repurchase funds this time was RMB 2.852 million. The above-mentioned repurchase funds would all be paid with the Company's own funds, and the cancellation would be completed on November 30, 2021.

After the reserved grant of restricted stocks and the first partial repurchase of restricted stocks, the share capital increased by RMB 1,360,000 this year.

54. Other equity instruments**(1). Basic information of other financial instruments such as preferred shares and perpetual bonds outstanding at the end of the reporting period**

Applicable Not Applicable

(2). Changes in other financial instruments such as preferred shares and perpetual bonds outstanding at the end of the reporting period

Applicable Not Applicable

Changes in other equity instruments in the current period, the reasons therefor and the basis for relevant accounting treatment:

Applicable Not Applicable

Other notes:

Applicable Not Applicable

55. Capital reserve

Applicable Not Applicable

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Capital surplus (share premium)	1,558,612,797.11	3,252,600.00	1,901,200.00	1,559,964,197.11
Equity incentive	1,880,981.38	31,533,363.28	-	33,414,344.66
Others	34,412,746.18	3,717,827.01	-	38,130,573.19
Total	1,594,906,524.67	38,503,790.29	1,901,200.00	1,631,509,114.96

Other notes including those on the changes in the current period and the reasons therefor:

The increase in capital reserve-other capital reserve during the reporting period was due to the Company's recognition on the share payment fee for RMB 31,533,363.28 during the waiting period, which was included in this item accordingly.

56. Treasury shares

Applicable Not Applicable

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Restricted equity incentive plan	137,298,000.00	5,592,600.00	5,395,800.00	137,494,800.00
Total	137,298,000.00	5,592,600.00	5,395,800.00	137,494,800.00

Other notes including those on the changes in the current period and the reasons therefor:

On August 9, 2021, the Group implemented the restricted equity incentive plan, granting 2,340,000 restricted shares to the incentive objects and confirming treasury shares of RMB 5,592,600. At the same time, because some incentive objects resigned during the waiting period and no longer had the incentive qualification, the Company repurchased the restricted shares for cancellation and offset the corresponding treasury shares. For details, please refer to Note VII. 53 Share capital.

57. Other comprehensive income

Applicable Not Applicable

Unit: RMB

Item	Opening amount Balance	Amount in the current period			Closing amount Balance
		Amount before tax incurred in the current period	Less: income tax	Amount after tax attributable to parent company	

I. Other comprehensive income that cannot be reclassified into profit or loss	81,473,183.84	-20,068,374.01	-5,017,093.50	-15,051,280.51	66,421,903.33
Change in fair value of other equity instruments investment	81,473,183.84	-20,068,374.01	-5,017,093.50	-15,051,280.51	66,421,903.33
II. Other comprehensive income to be reclassified into profit or loss	-3,323,522.51	-2,247,645.80	-	-2,247,645.80	-5,571,168.31
Difference arising from the translation of foreign currency financial statements	-3,323,522.51	-2,247,645.80	-	-2,247,645.80	-5,571,168.31
Total other comprehensive income	78,149,661.33	-22,316,019.81	-5,017,093.50	-17,298,926.31	60,850,735.02

Other notes, including those on the adjustment of the initially recognized amount of hedged items converted from the effective part of gains or losses from cash flow hedging:

None

58. Special reserve

Applicable Not Applicable

59. Surplus reserve

Applicable Not Applicable

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Statutory surplus reserve	1,312,373,111.99	140,951,986.92	-	1,453,325,098.91
Discretionary surplus reserve	40,195,855.68	-	-	40,195,855.68
Others	11,688,840.91	-	-	11,688,840.91
Total	1,364,257,808.58	140,951,986.92	-	1,505,209,795.50

Notes on surplus reserves, including those on the changes in the current period and the reasons therefor:

According to the "Company Law" and the Company's articles of association, the Company accrued a statutory surplus reserve in terms of 10% of its net profit. If the amount of statutory surplus reserve accrued reaches more than 50% of the Company's registered capital, the accrual may cease.

The Company can accrue free surplus reserve after accruing the statutory surplus reserve. With the approval, the free surplus reserve can be used to make up for previous losses or to increase share capital.

60. Undistributed profits

Applicable Not Applicable

Unit: RMB

Item	Current period	Previous period
Undistributed profits at the end of the previous reporting period before adjustment	5,168,298,206.50	4,750,787,389.17
Opening undistributed profits after adjustment	5,168,298,206.50	4,750,787,389.17

Plus: net profits attributable to shareholders of the parent company in the current period	1,334,095,906.95	926,626,706.42
Less: withdrawal of statutory surplus reserve	140,951,986.92	128,090,896.77
Common share dividend payable	301,945,279.68	381,024,992.32
Closing undistributed profits	6,059,496,846.85	5,168,298,206.50

Details of the adjustment of opening undistributed profits:

1. The opening undistributed profits affected by the retroactive adjustment made in accordance with the Accounting Standards for Enterprises and related new provisions amounted to RMB0.
2. The opening undistributed profits affected by the changes in accounting policies amounted to RMB0.
3. The opening undistributed profits affected by the correction of major accounting errors amounted to RMB0.
4. The opening undistributed profits affected by changes in the scope of mergers caused by common control amounted to RMB0.
5. The opening undistributed profits affected by other adjustments together amounted to RMB0.

61. Operating revenue and operating cost

(1). Overview of operating revenue and operating cost

√Applicable □Not Applicable

Unit: RMB

Item	Amount in the current period		Amount in the previous period	
	Revenue	Cost of sales	Revenue	Cost of sales
Main business	5,586,058,113.32	3,870,814,652.77	3,059,365,345.58	1,695,958,420.47
Other businesses	447,784,859.63	156,728,485.79	666,320,754.81	115,178,023.52
Total	6,033,842,972.95	4,027,543,138.56	3,725,686,100.39	1,811,136,443.99

(2). Revenue generated from contracts

√Applicable □Not Applicable

Unit: RMB

Classified by type of contract	Total
Types of goods	
Sales of goods	2,596,259,373.98
The use of shops in the Commodity City and its supporting services	2,429,854,974.22
Hotel accommodation and catering services	150,853,037.93
Revenue from use fees	107,299,598.45
Other services	534,842,468.16
Classified by business area	
Chinese mainland	5,819,109,472.74
Classified by contract period	
Revenue confirmed at certain time point	
Sales of goods	2,596,259,393.98
Hotel catering services	99,876,232.85
Other services	430,842,121.05
Revenue confirmed during certain time period	
The use of shops in the Commodity City and its supporting services	2,429,854,974.22
Hotel accommodation service	50,976,805.08
Revenue from use fees	107,299,598.45
Other services	104,000,347.11
Total	5,819,109,472.74

Description of the income from contracts:

Applicable Not Applicable

The income recognized in the current year and included in the opening book value of contractual liabilities is as follows:

Unit: RMB

Type of contract	Current period
Sales of goods	100,786,067.26
The use of shops in the Commodity City and its supporting services	2,252,863,622.76
Hotel accommodation service	13,367,212.91
Other services	59,472,570.40
Total	2,426,489,473.33

(3). Contract performance obligations

Applicable Not Applicable

Sales of goods

The performance obligation is fulfilled when the goods are delivered to the customer, and the contract price is collected in advance before the goods are delivered to the customer or received upon the delivery of the goods.

The use of shops in the Commodity City and its supporting services

The contractual performance obligation is fulfilled when providing the use of shops in the Commodity City and the supporting services for business. For the use of shops in the Commodity City and the supporting services for business, the progress of contract performance is determined based on the number of using days of the shops. Customers usually need to pay in advance before the use of shops in the Commodity City and the supporting services for business are provided.

Hotel accommodation business

The performance obligation is fulfilled when providing hotel accommodation services. For the hotel accommodation business, the progress of contractual performance is determined based on the number of days of stay. For hotel accommodation services, a partial deposit is collected from the customer first, and the remaining contract price is usually collected upon the completion of the hotel accommodation services.

Hotel catering business

The performance obligation is fulfilled when the hotel catering services are provided. The contract price for hotel catering services is usually charged when the hotel catering services are performed.

Fixed-time paid funding services

The performance obligation is fulfilled when the fixed-time paid funding service is provided. For the fixed-time paid funding service, the progress of contractual performance is determined based on the number of using days the fund. For the fixed-time paid funding service, the contract price is usually charged regularly as agreed in the contract.

(4). Amortization to remaining contract performance obligations

Applicable Not Applicable

At the end of the reporting period, the amount of income corresponding to the performance obligations that have been signed but not yet performed or not yet completed was RMB 4,058,419,224.84, of which:

RMB 4,058,419,224.84 is expected to be recognized as an income in 2026

Other notes:

None

62. Taxes and surcharges

Applicable Not Applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Real estate tax	118,182,369.56	111,702,852.72
Urban maintenance and	12,672,573.75	8,757,433.19

construction tax		
Land use tax	11,029,363.42	9,601,436.31
Stamp duty	7,188,521.64	4,789,431.36
Education surcharge	5,476,928.89	3,759,495.94
Local education surcharge	3,651,285.86	2,495,683.67
Land appreciation tax	3,349,307.04	10,586,314.21
Business tax	206,842.50	14,077,088.53
Vehicle and vessel use tax	3,456.16	32.90
Cultural undertaking development fee	-1,440.00	116,214.00
Total	161,759,208.82	165,885,982.83

Other notes:

None

63. Sales expenses

Applicable Not Applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Marketing expenses	115,754,997.02	104,738,904.24
Advertising expenses	45,648,963.60	94,410,960.56
Security and insurance expenses	38,306,012.40	27,115,364.49
Water, electricity and fuel expenses	1,351,892.26	3,651,395.20
Depreciation and amortization	950,256.30	1,345,275.41
Employee expenses	-	7,379.32
Others	2,733,852.99	10,619,907.22
Total	204,745,974.57	241,889,186.44

Other notes:

None

64. Administrative expenses

Applicable Not Applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Employee and uniform expenses	326,368,947.18	245,021,737.66
Depreciation and amortization	37,743,155.62	37,337,018.02
Intermediary expenses	23,480,815.21	38,529,410.46
Office expenses	17,616,097.42	14,680,708.68
Travel expenses	4,761,152.09	5,353,751.01
Lease and property management expenses	3,071,515.25	3,071,515.25
Promotion and market traders introduction expenses	728,448.70	937,941.53
Others	39,773,296.33	32,584,762.84
Total	453,543,427.80	377,516,845.45

Other notes:

None

65. R&D expenses

Applicable Not Applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Employee expenses	6,076,406.11	6,293,791.55
Technology development fee	650,354.19	7,050,178.63
Depreciation and amortization	122,541.44	343,037.80
Others	3,459,500.10	4,820,619.01
Total	10,308,801.84	18,507,626.99

Other notes:

None

66. Financial expenses

√Applicable □Not Applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Interest expenses	341,313,765.39	416,095,890.57
Amortization of commercial paper discount	4,735,876.54	3,269,879.47
Amortization of discounted bonds payable	-	2,060,361.37
Less: interest income	-177,964,682.68	-230,212,773.93
Less: capitalized amount of interest	-10,245,795.84	-29,273,761.94
Foreign exchange gains or losses	5,841,186.27	13,574,395.11
Amortization of unrecognized financing expenses	12,864,558.43	-
Others	3,366,705.59	6,575,708.68
Total	179,911,613.70	182,089,699.33

Other notes:

The capitalized amount of borrowing costs has been included in the construction in progress.

67. Other income

√Applicable □Not Applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Additional deduction of input tax	6,244,434.23	1,376,744.49
Subsidies for energy saving and consumption reduction	4,863,474.00	-
Special incentive funds for modern supply chain system innovation	2,682,704.00	-
Industrial Cluster Cross-border E-commerce Development Pilot Subsidy	1,879,093.83	-
Interest subsidy for the international exhibition center construction fund	1,154,807.04	1,154,807.04
Reward for "three collections and three rebates"	1,084,878.00	-
Government subsidy for service industry cluster for 2011	266,666.64	266,666.64
Refund of social security contribution	14,595.20	4,870,959.47
Grant for the construction and operation of Yiwu credit data center	-	3,000,000.00
R&D investment prize from Yiwu Science and Technology Bureau	-	2,104,180.00
Exhibition and conference subsidies	-	1,309,000.00
Employment stabilization subsidy	-	1,091,612.71
Others	5,366,295.07	2,812,361.79
Total	23,556,948.01	17,986,332.14

Other notes:
None

68. Investment income

Applicable Not Applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Income from long-term equity investment calculated with the equity method	599,180,325.58	34,968,640.68
Dividend income from other equity instruments investment during holding period	12,542,733.80	10,034,187.04
Interest income from debt investment during holding period	-	11,786,857.07
Investment income from disposal of held-for-trading financial assets	67,265.72	377,061.15
Income acquired from other non-current financial assets during the holding period	20,833,465.43	41,242,844.09
Gains from re-measurement of the remaining equity at fair value after the loss of control	-	30,456,963.96
Investment income from disposal of subsidiaries and related claims	-	394,658,616.42
Investment income from disposal of wealth management products	1,604,200.49	688,953.43
Total	634,227,991.02	524,214,123.84

Other notes:
None

69. Income from net exposure hedging

Applicable Not Applicable

70. Income from changes in fair value

Applicable Not Applicable

Unit: RMB

Sources of income from changes in fair value	Amount in the current period	Amount in the previous period
Held-for-trading financial assets	-1,332,503.10	1,706,102.10
Other non-current financial assets	8,563,824.94	-34,661,963.73
Total	7,231,321.84	-32,955,861.63

Other notes:
None

71. Loss of impairment of credit

Applicable Not Applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Bad debt loss of accounts receivable	6,343,395.56	23,224.87
Loss for bad debts of other receivables	956,299.11	2,259,459.03
Total	7,299,694.67	2,282,683.90

Other notes:

None

72. Loss of impairment of assetsApplicable Not Applicable**73. Income from disposal of assets**Applicable Not Applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Income from disposal of intangible assets	76,006.41	6,819,021.38
Income from disposal of property, plant and equipment	-	1,361,570.34
Total	76,006.41	8,180,591.72

Other notes:

None

74. Revenue from non-operating activities

Information of non-operating incomes

Applicable Not Applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period	Amount recognized in profit or loss of nonrecurring items for the current period
Government grants not related to the daily activities of the Company	2,950.00	669,648.00	2,950.00
Incomes from liquidated damages	5,552,161.47	1,402,173.09	5,552,161.47
Others	211,260.99	2,353,251.88	211,260.99
Total	5,766,372.46	4,425,072.97	5,766,372.46

Government grants recognized in the profit or loss for the current period

Applicable Not Applicable

Unit: RMB

Grant items	Amount in the current period	Previous amount	Asset-related or income-related
Tourism development special award	-	50,000.00	Income-related
Relief fund for small and micro enterprises and individual business households in Shangcheng District	-	10,000.00	Income-related
Subsidy for booth fee of 2020 Shanghai Gifts Exhibition	-	56,448.00	Income-related
Special fund reward for 2019 overseas investment from Yiwu Municipal Bureau of Commerce	-	550,000.00	Income-related
Subsidy from Yiwu Market Development Committee	-	3,200.00	Income-related
Subsidy for enterprise monitoring from Choucheng Subdistrict	1,200.00	-	Income-related
Yiwu Comprehensive Bonded Zone Enterprise Development Support Policy	1,750.00	-	Income-related
Total	2,950.00	669,648.00	

Other notes:

Applicable Not Applicable**75. Non-operating expenses**Applicable Not Applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period	Amount recognized in profit or loss of nonrecurring items for the current period
Total loss for disposal of non-current assets	637,423.30	19,632,275.93	637,423.30
Including: loss for disposal of property, plant and equipment	637,423.30	19,632,275.93	637,423.30
Loss for disposal of intangible assets			
External donation	1,107,540.00	6,540,313.91	1,107,540.00
Water conservancy construction fund	6.76	249,883.92	-
Others	1,150,958.70	214,342.31	1,150,958.70
Total	2,895,928.76	26,636,816.07	2,895,922.00

Other notes:

None

76. Income tax expenses**(1). Overview of income tax expenses**Applicable Not Applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Current income tax expenses	360,286,304.87	510,006,312.87
Deferred income tax expenses	-32,761,066.92	-10,251,293.65
Total	327,525,237.95	499,755,019.22

(2). Adjustment process of accounting profits and income tax expensesApplicable Not Applicable

Unit: RMB

Item	Amount in the current period
Profits before tax	1,656,693,823.97
Income tax expenses calculated at the statutory/applicable tax rate	414,173,455.99
Impact of different tax rates applied by subsidiaries	-2,092,001.08
Effect of adjusting income tax of previous period	9,258,148.22
Effect of non-taxable income	-567,975.32
Effect of non-deductible costs, expenses and losses	5,498,793.94
Effect of using deductible losses of unrecognized deferred income tax assets in previous period	-5,950,758.23
Effect of deductible temporary differences or deductible losses of unrecognized deferred income tax assets in the current period	64,881,959.24
Profits or losses attributable to joint ventures and associates	-157,676,384.80
Income tax expenses	327,525,237.95

Other notes:

Applicable Not Applicable**77. Other comprehensive income**Applicable Not Applicable

For details, please refer to Note 57. Other comprehensive income

78. Items of cash flow statement**(1). Other cash receipts relating to operating activities**Applicable Not Applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Deposit and margin received	212,256,986.10	164,887,997.67
Government grants received	63,576,554.04	3,573,983.14
Bank deposit interest income received	177,964,682.68	230,212,493.06
Liquidated damages received from market traders	5,766,372.46	1,402,173.09
Yiwugo's Bank Reserve Fund received	2,600,157.57	1,842,251.21
Received overpaid input tax	62,799,958.77	-
Others	443,618.96	6,870,248.13
Total	525,408,330.58	408,789,146.30

Notes on other cash receipts relating to operating activities:

None

(2). Other cash payments relating to operating activitiesApplicable Not Applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Major expenses paid	319,328,171.57	365,010,313.02
Repair costs and expenses paid	120,690,572.43	132,298,446.26
Deposit and security paid	157,057,755.29	95,090,779.43
Others	1,107,540.00	1,689,857.57
Total	598,184,039.29	594,089,396.28

Notes on other cash payments relating to operating activities:

None

(3). Other cash receipts relating to investing activitiesApplicable Not Applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Recovered-pending investment refunds	822,300,000.00	43,027,285.60
Advance subsidy for joint venture's subsidiaries that was recovered from the joint venture party	-	1,608,852,069.00
Received funding from from the joint ventures and their subsidiaries	2,924,599,831.00	2,775,280,817.96
Receipt of redeemed financing products	-	6,000,000.00
Cash balance on acquisition date of subsidiary	-	17,326,086.71

Total	3,746,899,831.00	4,450,486,259.27
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Notes on other cash receipts relating to investing activities:

None

(4). Other cash payments relating to investing activities

Applicable Not Applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Advance for land for proposed joint venture	-	281,839,499.86
Financial subsidy paid to Tonghui Shangbo	138,160,000.00	1,486,368,548.00
Financial subsidy paid to Handing Shangbo	17,845,800.00	472,144,400.00
Financial subsidy paid to the joint venture in Dubai	104,456,205.00	63,465,484.42
Financial subsidy paid to Gongchen Shangbo	-	49,000,000.00
Paid the financial assistance for Guoshen Shangbo	1,372,000,000.00	-
Total	1,632,462,005.00	2,352,817,932.28

Other cash paid related to investment activities:

None

(5). Other cash receipts relating to financing activities

Applicable Not Applicable

(6). Other cash payments relating to financing activities

Applicable Not Applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Acquisition of minority shareholders' equity in subsidiaries	-	64,460,000.00
Restricted stock cancellation payment	2,827,300.00	-
Minimum lease payment	37,531,483.07	-
Total	40,358,783.07	64,460,000.00

Other cash paid related to financing activities:

None

79. Supplements to cash flow statement

(1). Supplements to cash flow statement

Applicable Not Applicable

Unit: RMB

Supplements	Amount in the current period	Amount in the previous period
1 · Adjust net profits to cash flow from operating activities:		
Net profits	1,329,168,586.02	921,836,055.21
Plus: provision for impairment of assets	-	-
Loss of impairment of credit	7,299,694.67	2,282,683.90

Depreciation of fixed assets, depletion of oil and gas assets and depreciation of bearer biological assets	391,927,445.01	391,308,329.57
Amortization of right-of-use assets	29,280,433.57	-
Amortization of intangible assets	140,522,789.88	129,979,055.25
Depreciation and amortization of investment real estate	106,638,821.16	91,509,152.33
Amortization of long-term prepaid expenses	62,397,515.62	64,667,911.54
Loss from disposal of fixed assets, intangible assets and other long-term assets (gains indicated by "-")	-76,006.41	11,451,684.21
Loss from fixed assets retirement (gains indicated by "-")	637,423.30	-
Loss from changes in fair value (gains indicated by "-")	-7,231,321.84	32,955,861.63
Financial expenses (gains indicated by "-")	336,909,155.82	392,152,088.59
Investment loss (gains indicated by "-")	-769,582,290.36	-648,958,950.22
Decrease in deferred income tax assets (increase indicated by "-")	-36,072,700.05	-7,112,433.29
Increase in deferred income tax liabilities (decrease indicated by "-")	-1,705,460.37	-3,988,508.40
Decrease in inventory (increase indicated by "-")	-8,180,635.66	-1,156,397,502.91
Decrease in operating receivables (increase indicated by "-")	-912,160,213.18	-538,592,969.66
Increase in operating payables (decrease indicated by "-")	1,363,309,270.58	1,145,695,804.20
Net cash flow from operating activities	2,033,082,507.76	828,788,261.95
2 · Significant investing and financing activities not involving cash receipt and payment:		
When the joint venture company was established based on the equity of the subsidiary, the original financial subsidy for subsidiary's prepayment for land was converted to other receivables from the subsidiary of the joint venture	-	1,545,759,831.00
3 · Net changes in cash and cash equivalents:		
Closing balance of cash	4,006,468,325.47	2,032,642,871.63
Less: opening balance of cash	2,032,642,871.63	3,426,712,549.26
Add: closing balance of cash equivalents		
Less: opening balance of cash equivalents		
Net increase in cash and cash equivalents	1,973,825,453.84	-1,394,069,677.63

(2). Net cash paid for acquisition of subsidiaries in the current period

Applicable Not Applicable

(3). Net cash received from disposal of subsidiaries in the current period

Applicable Not Applicable

(4). Composition of cash and cash equivalents

Applicable Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
I. Cash	4,006,468,325.47	2,032,642,871.63
In which: cash on hand	154,264.94	292,999.29
Bank deposit that can be used for payment at any time	4,006,258,722.95	2,032,189,759.31
Other monetary capital that can be used for payment at any time	55,337.58	160,113.03
II. Cash equivalents		
Including: bond investments due within three months		
III. Closing balance of cash and cash equivalents	4,006,468,325.47	2,032,642,871.63
Including: cash and cash equivalents with restricted use by the parent company or its subsidiaries	60.78	60.58

Other notes:

Applicable Not Applicable

Monetary funds with a deposit period of more than three months: Currency: RMB

Item	Closing balance	Opening balance
Negotiated deposits	825,000,000.00	3,580,000,000.00

80. Notes to items in statement of changes in owners' equity

Names of "others" items whose closing balances in the previous year are adjusted and the amounts of adjustments:

Applicable Not Applicable

81. Assets with restricted title or right of use

Applicable Not Applicable

Unit: RMB

Item	Closing book value	Reasons for restriction
Monetary capital	60.78	[Note 1]
Long-term equity investment	102,918,559.00	[Note 2]
Other non-current financial assets	636,870,392.09	[Note 2]
Total	739,789,011.87	/

Other notes:

Note 1. As of December 31, 2021, bank deposits with a book value of RMB 60.78 (December 31, 2020: RMB 60.58) were restricted for ownership or use rights due to being as security deposits for obtaining commercial housing mortgage loan.

Note 2: As of December 31, 2021, long-term equity investments with a book value of RMB 102,918,559.00 (December 31, 2020: RMB 102,918,559.00) and other non-current assets of RMB 636,870,392.09 (December 31, 2020: RMB 617,511,352.00) were frozen by Shanghai Municipal Public Security Bureau. See Note XIV.1 Important commitments for details.

82. Foreign currency monetary items**(1). Foreign currency monetary items**

√Applicable □Not Applicable

Unit: RMB Yuan

Item	Closing balance in foreign currency	Exchange rate	Closing amount after conversation: RMB Balance
Monetary capital	-	-	
In which: USD	5,485,690.70	6.3757	34,975,118.20
EURO	285,450.21	7.2197	2,060,864.88
Rwandan Franc	10,849,325.00	0.0063	68,350.75
Dirham	891,319.05	1.7361	1,547,419.00
Koruna	7,967,992.08	0.2899	2,309,920.90
Accounts receivable	-	-	
In which: USD	14,360,439.00	6.3757	91,557,850.93
EURO	1,455,026.65	7.2197	10,504,855.91
Koruna	5,076,307.71	0.2899	1,471,621.61
Other receivables	-	-	-
Including: EURO	5,100.00	7.2197	36,820.47
Koruna	31,936,127.00	0.2899	9,258,283.22
Accounts payable	-	-	-
In which: USD	1,267,239.54	6.3757	8,079,539.14
Other payables	-	-	-
In which: USD	1,793,978.13	6.3757	11,437,866.36
EURO	62,397.91	7.2197	450,494.19
Koruna	3,775,500.35	0.2899	1,094,517.55

Other notes:

None

(2). Description of overseas operations, for important overseas operations, also includes the disclosure of principal overseas place of business, bookkeeping currency and the basis for selection, and the reason for the change in bookkeeping currency.

□Applicable √Not Applicable

83. Hedging

□Applicable √Not Applicable

84. Government grants**(1). Overview of government grants**

√Applicable □Not Applicable

Unit: RMB

Type	Amount	Presentation	Amount recognized in profit or loss for the current period
Yiwu Comprehensive Bonded Zone Enterprise Development Support Policy	1,750.00	Revenue from non-operating activities	1,750.00
Subsidy for enterprise monitoring from Choucheng Subdistrict	1,200.00	Revenue from non-operating activities	1,200.00
Additional deduction of input tax	6,244,434.23	Other income	6,244,434.23

Subsidies for energy saving and consumption reduction	4,863,474.00	Other income	4,863,474.00
Special incentive funds for modern supply chain system innovation	2,682,704.00	Other income	2,682,704.00
Industrial Cluster Cross-border E-commerce Development Pilot Subsidy	1,879,093.83	Other income	1,879,093.83
Interest subsidy for the international exhibition center construction fund	1,154,807.04	Other income	1,154,807.04
"3 refunds and 3 rewards"	1,084,878.00	Other income	1,084,878.00
Government subsidy for service industry cluster for 2011	266,666.64	Other income	266,666.64
Refund of social security contribution	14,595.20	Other income	14,595.20
Others	5,366,295.07	Other income	5,366,295.07
Total	23,559,898.01		23,559,898.01

(2). Refund of government grants

Applicable Not Applicable

Other notes:

None

85. Others

Applicable Not Applicable

VIII. Changes in consolidation scope**1. Mergers of enterprises not under common control**

Applicable Not Applicable

2. Mergers of the enterprises under common control

Applicable Not Applicable

3. Reverse acquisition

Applicable Not Applicable

4. Disposal of subsidiaries

Has the Group lost control upon a single disposal of investment in a subsidiary?

Applicable Not Applicable

Other notes:

Applicable Not Applicable

5. Changes in consolidation scope for other reasons

Changes in the consolidation scope for other reasons (e.g. new establishment of subsidiaries, liquidation of subsidiaries, etc.) and the related information:

Applicable Not Applicable

The Company established a subsidiary, Zhejiang China Commodities City Group Commercial Factoring Co., Ltd. in the current period.

6. Others

Applicable Not Applicable

IX. Equity in Other Entities**1. Equity in subsidiaries****(1). Composition of the enterprise Group**

√Applicable □Not Applicable

Subsidiary Name	Main place of business	Place of registration	Business	Shareholding ratio (%)		Acquisition Method
				Direct	Indirect	
Yiwu China Commodities City Logistics and Warehousing Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Service	100		Establishment
Yiwu Commodities City Gonglian Property Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Real estate	100		Establishment
Yiwu China Commodities City Exhibition Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Service	100		Establishment
Yiwu China Commodities City Advertising Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Advertising	100		Establishment
Yiwu China Commodities City Information Technology Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	IT	100		Establishment
Yiwu China Commodity City RMB and Foreign Currency Exchange Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Service		100	Establishment
Hangzhou Shangbo Nanxing Property Co., Ltd.	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Real estate	100		Establishment
Yiwu China Commodities City Payment Network Technology Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	IT		100	Establishment
Yiwu China Commodities City Credit Investigation Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Service		85	Establishment
Haicheng Yiwu China Commodities City Investment Development Co., Ltd.	Haicheng, Liaoning	Haicheng, Liaoning	Real estate	95		Establishment
Zhejiang Yiwugou E-commerce Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	E-commerce		51	Establishment
Yiwu Shangbo Property Co., Ltd.	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Real estate	100		Establishment
Yiwu China Commodities City Import and Export Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Wholesale	100		Establishment
Yiwu China Commodities City Supply Chain Management Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Service	100		Establishment
Yiwu China Commodities City Tourism Development	Yiwu, Zhejiang	Yiwu, Zhejiang	Lease and business service	100		Establishment

Co., Ltd.						
Yiwu China Commodities City Financial Holdings Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Service	100		Establishment
Yiwu China Commodity City (Germany) Co., Ltd.	Frankfurt, Germany	Frankfurt, Germany	Service		100	Establishment
Yiwu International Trade Comprehensive Service Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Wholesale		60	Establishment
Yiwu Aiximao Supply Chain Management Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Service		100	Establishment
Yiwu China Commodities City (Hong Kong) International Trade Co., Ltd.	Hong Kong, China	Hong Kong, China	Wholesale		100	Establishment
Ningxia Yiwu China Commodity City Supply Chain Management Co., Ltd.	Shizuishan, Ningxia	Shizuishan, Ningxia	Service		100	Establishment
Yiwu China Commodities City Overseas Investment and Development Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Wholesale	100		Establishment
Yiwu China Commodities City Commerce and Trade Service Training Center Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Education	100		Establishment
Yiwu China Commodities City Assets Operation and Management Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Lease and business service	100		Establishment
Zhejiang Yindu Hotel Management Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Lease and business service	100		Establishment
Hong Kong Better Silk Road Co., Ltd.	Hong Kong, China	Hong Kong, China	Service		100	Establishment
BETTER SILK ROAD FZE	Dubai, UAE	Dubai, UAE	Service		100	Establishment
BETTER SILK ROAD RWANDA Ltd	Kigali, Rwanda	Kigali, Rwanda	Service		100	Establishment
Yiwu China Commodities City Research Institute Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Business service	100		Establishment
Yiwu Comprehensive Bonded Zone Operation and Management Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Business service	100		Establishment
Yiwu China Commodities City Big Data Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Software and Information Technology Service	100		Establishment

			Industry			
Yiwu Huanquiyida Logistics Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Multimodal transport and transportation agency		60	Establishment
Yiwu China Commodities City Internet Financial Information Service Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Service		100	Incorporation+acquisition
Zhejiang Huajie Investment and Development Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Commercial services	96.4		Incorporation+acquisition
European Huajie Investment Development Co., Ltd.	Prague, Czech Republic	Prague, Czech Republic	Commercial services		96.4	Incorporation+acquisition
Zhejiang China Commodities City Group Commercial Factoring Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Service	60	40	Establishment

Explanation for the difference between the shareholding ratio and voting right ratio in a subsidiary:
None

Basis for holding half or less voting rights in but still controlling an investee, and holding more than half of the voting rights in but not controlling an investee:
None

Basis for controlling important structured entities included in the consolidation scope:
None

Basis for determining whether a company is an agent or a principal:
None

Other notes:
None

(2). Important non-wholly-owned subsidiaries

Applicable Not Applicable

Unit: RMB

Name of subsidiary	Shareholding ratio of minority shareholders	Profits or losses attributable to minority shareholders in the current period	Dividends declared to be distributed to minority shareholders for the current period	Closing balance of minority interest
Zhejiang Yiwugou E-commerce Co., Ltd.	49%	3,231,306.40	-	44,817,381.94
Haicheng Company	5%	-7,342,519.03	-	-42,993,044.00

Explanation for the difference between the shareholding ratio and voting right ratio of minority shareholders in a subsidiary:
Applicable Not Applicable

Other notes:
Applicable Not Applicable

(3). Major financial information of important non-wholly-owned subsidiaries

Applicable Not Applicable

Unit: RMB10,000

Name of subsidiary	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Zhejiang Yiwugou E-commerce Co., Ltd.	11,899.73	900.21	12,799.94	3,653.53	-	3,653.53	10,131.63	1,035.94	11,167.57	2,680.61	-	2,680.61
Haicheng Company	126,423.87	98,154.04	224,577.91	310,564	-	310,564	124,510.56	105,804.70	230,315.26	301,683.12	0.26	301,683.38

Name of subsidiary	Amount in the current period				Amount in the previous period			
	Operating revenue	Net profits	Total comprehensive income	Cash flow from operating activities	Operating revenue	Net profits	Total comprehensive income	Cash flow from operating activities
Zhejiang Yiwugou E-commerce Co., Ltd.	4,747.83	659.45	659.45	-2,891.61	4,620.58	668.86	668.86	6,298.22
Haicheng Company	898.01	-14,685.04	-14,685.04	11,694.15	546.63	-13,339.37	-13,339.37	-5,460.25

Other notes:

None

(4). Significant restrictions on the use of enterprise Group's assets and the settlement of enterprise Group's debtsApplicable Not Applicable**(5). Financial or other supports provided to structured entities included in the scope of consolidated financial statements**Applicable Not Applicable

Other notes:

Applicable Not Applicable**2. Transactions in which the Group's share of owners' equity in a subsidiary changes and the Group still controls the subsidiary**Applicable Not Applicable**3. Equity in joint ventures or associated enterprises**Applicable Not Applicable**(1). Important joint ventures or associated enterprises**Applicable Not Applicable

Unit: RMB

Name of joint venture or associated enterprise	Main place of business	Place of registration	Business	Shareholding ratio (%)		Accounting treatment method of investment in the joint venture or associate
				Direct	Indirect	
Joint venture						

Yiwu Shanglv Investment Development Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Real estate	49		Equity method
Yiwu Huishang Redbud Capital Management Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Service		20	Equity method
Yiwu Rongshang Property Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Real estate	49		Equity method
Yiwu Chuangcheng Property Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Real estate	24		Equity method
Yiwu Guoshen Shangbo Property Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Real estate	49		Equity method
Associated enterprise						
Hangzhou Binjiang Shangbo Property Development Co., Ltd.	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Real estate	49		Equity method
Yiwu Huishang Redbud Equity Investment Co., Ltd. (Note 4)	Yiwu, Zhejiang	Yiwu, Zhejiang	Commercial services		10.42	Equity method
Zhejiang Chouzhou Financial Lease Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Service	26		Equity method
Yiwu Huishang Redbud Phase II Investment Partnership (LLP) (Note 5)	Yiwu, Zhejiang	Yiwu, Zhejiang	Lease and business service	9.43		Equity method
Yiwu Hongyi Equity Investment Fund Partnership	Yiwu, Zhejiang	Yiwu, Zhejiang	Service		49.98	Equity method
Pujiang Lvgu Property Co., Ltd.	Pujiang, Zhejiang	Pujiang, Zhejiang	Real estate	49		Equity method
Yiwu China Commodities City Property Development Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Real estate	49		Equity method

Explanation for the difference between the shareholding ratio and voting right ratio in a joint venture or associate:

None

Bases for holding less than 20% of the voting rights but having significant influence, or holding 20% or more of the voting rights but not having significant influence:

Note 4: The Company holds 10.42% (2020: 10.42%) of equity of Yiwu Huishang Redbud Equity Investment Co., Ltd. (hereinafter referred to as "Redbud Equity Investment"), but regards it as a joint venture of the Company. According to Redbud Investment's articles of association, it is engaged in investing and its important financial and operating decision-making activities are to pick and manage investment projects, which have been fully entrusted to the Company's joint venture Yiwu Huishang Redbud Capital Management Co., Ltd. ("Redbud Capital"). Redbud Capital picks and manages investment projects via its investment decision-making committee. Except for special investment matters, which are subject to the resolution of Redbud Investment's board of directors, other important financial and operating decision-making activities are conducted by Redbud Capital on the behalf of Redbud Investment. Therefore, the Company was able to exercise significant influence on Redbud Investment in which the Company held 10.42% of total equity.

Note 5: The Company holds 9.43% (9.43% in 2020) equity in Yiwu Huishang Redbud Phase II Investment Partnership (limited partnership) ("Redbud Phase II"), but regards it as an associated company of the Company. According to Redbud Phase II's articles of association, it is engaged in investing and its important financial and operating decision-making activities are to pick and manage investment projects, which have been fully entrusted to the Company's joint venture Redbud Capital. Redbud Capital picks and manages investment projects via its investment decision-making committee. Except for special investment matters, which are subject to the resolution of Redbud Phase II's board of directors, other important financial and operating decision-making activities are conducted by Redbud Capital on the behalf of Redbud Phase II. Therefore, the Company can exert significant influence on Redbud Phase II in which it holds 9.43% equity.

(2). Main financial information of important joint ventures

√Applicable □Not Applicable

Unit: RMB

	Closing balance/amount in the current period	Opening balance/amount in the previous period
	Yiwu Shanglv	Yiwu Shanglv
Current assets	94,995,453.50	187,602,175.56
In which: cash and cash equivalents	17,204,162.54	24,893,904.53
Non-current assets	1,332,618,603.76	1,369,948,370.68
Total assets	1,427,614,057.26	1,557,550,546.24
Current liabilities	375,275,386.49	420,643,904.92
Non-current liabilities	236,957,211.08	356,957,211.08
Total liabilities	612,232,597.57	777,601,116.00
Minority interest		
Shareholders' equity attributable to parent company	815,381,459.69	779,949,430.24
Share of net assets calculated based shareholding ratio	399,536,915.25	382,175,220.82
Adjustments	-15,868,561.04	-16,344,463.91
--Goodwill	-	-
--unrealized profits of internal transactions	-15,868,561.04	-16,344,463.91
--Others	-	-
Book value of equity investment in joint ventures	383,668,354.21	365,830,756.91
Operating revenue	235,111,114.62	209,478,335.98
Financial expenses	24,364,607.11	25,646,329.54
Net profits	35,438,822.77	35,139,746.38
Total comprehensive income	35,438,822.77	35,139,746.38
Dividends received from joint ventures this year	-	-

Other statements

None

(3). Main financial information of important associates

√Applicable □Not Applicable

Unit: RMB10,000

	Closing balance/amount in the current period							Opening balance/amount in the previous period						
	Binjiang Shangbo	Chouzhou Financial Lease	Hongyi Fund	CCCP	Pujiang Lvgu	Yiwu Rongshang Property	Yiwu Chuangcheng Property	Binjiang Shangbo	Chouzhou Financial Lease	Hongyi Fund	CCCP	Pujiang Lvgu	Yiwu Rongshang Property	Yiwu Chuangcheng Property
Current assets	11,002.00	77,805.80	21,730.37	1,492,712.71	122,804.10	564,093.80	385,685.30	44,924.53	72,933.41	18,713.03	755,070.00	169,861.53	754,838.27	487,362.79
Non-current assets	69.23	1,356,968.91	155,970.63	42,919.44	459.02	8,395.40	5,324.96	104.99	1,139,961.66	119,447.65	40,293.49	1,300.59	10,377.57	7,101.31
Total assets	11,071.23	1,434,774.71	177,701.00	1,535,632.15	123,263.12	572,489.20	391,010.26	45,029.52	1,212,895.07	138,160.68	795,363.49	171,162.12	765,215.84	494,464.10
Current liabilities	3,263.30	1,020,585.17	37.71	915,862.90	31,456.60	528,124.40	354,317.21	12,787.62	945,311.98	140.31	467,243.03	88,160.96	760,395.30	453,367.00
Non-current liabilities	-	250,335.36	-	49,089.63	-	-	-	-	124,403.19	-	20,902.58	7,441.37	-	35,900.00
Total liabilities	3,263.30	1,270,920.53	37.71	964,952.53	31,456.60	528,124.40	354,317.21	12,787.62	1,069,715.17	140.31	488,145.61	95,602.33	760,395.30	489,267.00
Shareholders' equity attributable to parent company	7,807.93	163,854.17	177,663.28	570,679.62	91,806.52	44,364.80	36,693.05	32,241.90	143,179.91	138,020.37	307,217.88	75,559.79	4,820.55	5,197.10
Share of net assets calculated based shareholding ratio	3,825.88	42,602.08	88,796.11	279,633.01	44,985.19	21,738.75	8,806.33	15,798.53	37,226.78	68,975.68	150,536.76	37,024.30	2,362.07	1,247.31
Adjustments	-378.26	-	-8.88	-3,939.17	942.95	-	-	-383.31	-94.71	-	-3,379.46	942.95	-130.16	-102.83
--unrealized profits of internal transactions	-378.26	-	-8.88	-3,939.17	942.95	-	-	-383.31	-94.71	-	-3,379.46	942.95	-130.16	-102.83
Book value of equity investment in joint ventures	3,447.62	42,602.08	88,787.23	275,693.84	45,928.14	21,738.75	8,806.33	15,415.23	37,132.07	68,975.68	147,157.30	37,964.25	2,231.91	1,144.48
Operating revenue	3,673.67	43,115.27	177.83	138,101.44	90,893.54	272,636.85	199,877.07	9,770.28	45,121.82	944.83	19,133.91	19,704.98	384.12	101.10
Net profits	3,566.03	20,984.32	9,749.03	14,621.40	16,246.73	39,544.26	31,495.95	3,463.97	15,636.61	1,872.25	-1,853.66	3,561.41	-973.50	-2,330.19
Total comprehensive income	3,566.03	20,984.32	9,749.03	14,621.40	16,246.73	39,544.26	31,495.95	3,463.97	15,636.61	1,872.25	-1,853.66	3,561.41	-973.50	-2,330.19
Dividend on associates received in the current year	13,720													

Other statements
None

(4). Summary financial information of unimportant joint ventures and associates√Applicable Not Applicable

Unit: RMB

	Closing balance/amount in the current period	Opening balance/amount in the previous period
Joint ventures:		
Total book value of investments	56,813,304.76	15,284,720.18
Total amounts of the following items calculated based on shareholding ratio		
--Net profits	23,678,584.58	-19,726,695.26
--Other comprehensive income		
--Total comprehensive income		
Associates:		
Total book value of investments	461,933,497.77	351,543,008.12
Total amounts of the following items calculated based on shareholding ratio		
--Net profits	25,663,075.10	-6,084,558.45
--Other comprehensive income		
--Total comprehensive income		

Other statements

None

(5). Restrictions on the ability of joint ventures or associates to transfer money to the CompanyApplicable Not Applicable**(6). Excess losses of joint ventures or associates**Applicable Not Applicable**(7). Unrecognized commitments relating to investment in joint ventures**Applicable Not Applicable**(8). Contingent liabilities relating to investment in joint ventures or associates**Applicable Not Applicable**4. Important joint operations**Applicable Not Applicable**5. Equity in structured entities not included in the consolidated financial statements**

Notes on structured entities not included in the consolidated financial statements:

Applicable Not Applicable**6. Others**Applicable Not Applicable

X. Risks associated with financial instruments

√Applicable □Not Applicable

1. Categorization of financial instruments

The book values of financial instruments on the balance sheet date are as follows:

2021

Financial assets

	Financial assets that are measured by fair value and of which the changes in fair value are recognized in the profit or loss for the current period Requirements in the standard	Measured at amortized cost	measured at fair value and whose changes are included in other comprehensive income Designated	Total
Monetary capital	-	4,831,468,386.25	-	4,831,468,386.25
Held-for-trading financial assets	75,375,083.21	-	-	75,375,083.21
Accounts receivable	-	185,237,530.89	-	185,237,530.89
Other receivables	-	1,355,924,282.96	-	1,355,924,282.96
Other current assets	-	2,780,294.82	-	2,780,294.82
Long-term receivables	-	222,307,363.40	-	222,307,363.40
Other equity instruments investment	-	-	642,187,968.77	642,187,968.77
Other non-current financial assets	1,524,819,255.41	-	-	1,524,819,255.41
	<u>1,600,194,338.62</u>	<u>6,597,717,858.32</u>	<u>642,187,968.77</u>	<u>8,840,100,165.70</u>

Financial liabilities

Short-term borrowings				942,736,046.04
Accounts payable				493,360,429.02
Other payables				1,908,742,835.15
Non-current liabilities due within one year				3,664,241,923.08
Other current liabilities				3,081,384,800.50
Long-term borrowings				771,250,000.00
Lease liabilities				205,942,673.93
				<u>11,067,658,707.72</u>

Other financial liabilities

2020

Financial assets

	Financial assets that are measured by fair value and of which the changes in fair value are recognized in the profit or loss for the current period Requirements in the standard	Measured at amortized cost	measured at fair value and whose changes are included in other comprehensive income Designated	Total
Monetary capital	-	5,612,642,932.21	-	5,612,642,932.21
Held-for-trading financial assets	51,712,734.31	-	-	51,712,734.31
Accounts receivable	-	153,573,476.86	-	153,573,476.86
Other receivables	-	2,708,478,136.25	-	2,708,478,136.25
Other current assets	-	3,279,187.50	-	3,279,187.50
Long-term receivables	-	126,756,573.81	-	126,756,573.81
Other equity instruments investment	-	-	662,256,342.79	662,256,342.79
Other non-current financial assets	1,523,925,249.81	-	-	1,523,925,249.81
	<u>1,575,637,984.12</u>	<u>8,604,730,306.63</u>	<u>662,256,342.79</u>	<u>10,842,624,633.54</u>

Financial liabilities

Short-term borrowings				1,257,179,389.40
Accounts payable				636,463,802.23

Other financial liabilities

Other payables	1,908,742,835.15
Non-current liabilities due within one year	1,315,026,574.43
Other current liabilities	3,008,141,460.22
Long-term borrowings	282,000,000.00
Bonds payable	3,552,161,709.68
	11,067,658,707.72

2. Risks associated with financial instruments

The risks associated with financial instruments faced by the Group in regular activities mainly include credit risk, liquidity risk and market risk. The main financial instruments of the Group include cash, borrowings from banks, bonds payable and commercial papers payable. Those instruments are used mainly to finance the operation of the Group. The Group has lots of other financial assets and liabilities directly arising from operation, such as accounts receivable, other receivables, accounts payable and other payables. The risks associated with those financial instruments and the risk management strategy taken by the Group to reduce those risks are stated as follows.

Credit risk

The Group only deals with the recognized third parties with good reputation. According to its policy, the Group needs to carry out credit review on all clients who require to deal with the Group on credit. In addition, the Group keeps monitoring the balance of accounts receivable to ensure it will not face any material bad debt risk. For the transactions settled other than in the functional currency of related business entities, unless with specific approval of the Group's credit control department, the Group will not provide the conditions for dealing on credit. The Group also faces credit risks due to the provision of financial guarantees. See Note XIV. 2 for details.

As the counterparties to the transactions of cash are banks with good reputation and high credit ratings, the credit risk of those financial instruments is relatively low.

The Group's other financial assets include cash, debt investment, other receivables and certain derivatives, the credit risk of which is sourced from default by the counterparties, and the maximum risk exposure is equal to the book value of those instruments.

As the clients from which the Group's accounts receivable are receivable are scattered in different sectors and industries, there's no material credit risk concentrated within the Group. The Group does not have any collaterals or other credit enhancements for the balance of its accounts receivable.

See Notes VII. 5 and 8 for quantitative data on the Group's credit risk exposure in relation to receivables and other receivables.

Criteria for significant increase in credit risk

The Group evaluates, on each balance sheet date, whether the credit risk of related financial instruments has increased significantly since the initial recognition thereof. In determining whether the credit risk of a financial instrument has increased significantly since the initial recognition thereof, the Group takes into account the reasonable and well-grounded information that is accessible without unnecessary extra costs or efforts, including the qualitative and quantitative analyses based on the Group's historical data, external credit risk rating and forward-looking information. The Group compares the risk of financial instruments defaulting on the balance sheet date and the risk of them defaulting on the date of initial recognition based on an individual financial instrument or a Group of financial instruments with similar credit risk characteristics to determine the changes in anticipated default risk of the financial instrument(s) within the duration thereof.

If a financial instrument meets one or more of the following quantitative or qualitative criteria, the Group will determine that its credit risk has increased significantly:

- (1) The main quantitative criterion is that its probability of default within the remaining duration on the reporting date rises by a certain margin from that at its initial recognition;
- (2) The main qualitative criterion is that the debtor has materially adverse changes in business or financial conditions or is on the warning list of clients.

Definition of the assets whose credit has been impaired

In order to determine whether the credit of an asset has been impaired, the Group adopts the criteria consistent with its internal credit risk management goal for related financial instruments and also takes into account the quantitative and qualitative indicators. The Group mainly considers the following factors while assessing whether the credit of a debtor has been impaired:

- (1) the issuer or debtor suffers material financial difficulty;
- (2) the debtor is in breach of contract, such as breach in interest payment, principal repayment or overdue payment;
- (3) the creditor makes a compromise to the debtor which it would in no case make, based on the economic or contract considerations in connection with the debtor's financial difficulty;
- (4) the debtor is very likely to go bankrupt or enter into other financial reorganizations;
- (5) the financial difficulty of the issuer or debtor results in the disappearance of the active market of the financial asset;
- (6) a financial asset is purchased or derived at a large discount and the discount points to the fact of credit loss having been incurred.

The credit impairment of financial assets may be caused by multiple events together and may not necessarily be caused by an individually identifiable event.

Measurement parameters of expected credit loss

Depending on whether credit risk has increased significantly and whether credit has been impaired, the Group makes impairment provisions for the expected credit losses of different assets within 12 months or the entire duration. The key parameters of expected credit loss include the probability of default, loss given default and default risk exposure. The Group has built the models of probability of default, loss given default and default risk exposure based on the quantitative analysis of historical data (e.g. rating of counterparties, form of guarantee and category of collaterals or pledges, form of repayment) and forward-looking information.

The related definitions are as follows:

- (1) The probability of default refers to the possibility that the debtor will be unable to fulfill its payment obligations in the next 12 months or throughout the remaining duration. The Group adjusts the probability of default based on the results of the expected credit loss model and with forward-looking information included to reflect the debtors' probability of default under the current macro economic environment.
- (2) The default loss rate refers to the Group's expectation on the extent of losses incurred due to the default risk exposure. The loss given default varies with the type of counterparty, the form and priority of claims and collaterals. The loss given default is the percentage of risk exposure loss at the time of default and is calculated based on the coming 12 months or the entire remaining duration.
- (3) The default risk exposure refers to the amount that the Group should pay out

when a default occurs in the next 12 months or throughout the remaining duration.

The determination of significant increase in credit risk and the calculation of expected credit loss both involve forward-looking information. The Group identifies the key economic indicators that affect the credit risk and expected credit loss of various types of businesses through the analysis of historical data.

The influence of those economic indicators on the probability of default and loss given default varies with the type of business. The Group predicts those indicators on a quarterly basis based on experts' judgments and determines their influence on the probability of default and loss given default through regression analysis.

The Group makes impairment provisions for the expected credit loss of accounts receivable and other receivables within the coming 12 months with the simplified method and general method respectively. Please refer to Notes VII. 5 and 8 for details.

Liquidity risk

The Group manages the cash shortage risk with the cyclical liquidity plan tool. The tool considers not only the maturity dates of financial instruments but also the estimated cash flows arising from the operation of the Group.

The Group aims to make use of such financing instruments as bank loans, commercial papers, MTNs, corporate bonds and long-term borrowings to maintain the balance between the continuity and flexibility of financing. As of December 31, 2021, 87.59% (December 31, 2020: 66.99%) of the Group's debts would be due within one year. The following table summarizes the analysis on the due day of financial liabilities based on non-discounted contractual cash flows:

2021

Item	At call	1-3 months	3 months-1 year (1 year inclusive)	1 year - 5 years (5 years inclusive)	Above 5 years	Total
Short-term borrowings	2,580,651.41	253,953,316.72	702,138,696.23	-	-	958,672,664.36
Accounts payable	433,048,081.66	60,312,347.36	-	-	-	493,360,429.02
Other payables	1,337,240,761.48	-	-	571,310,673.67	-	1,908,934,235.15
Other current liabilities	4,304,034.67	-	3,064,041,095.89	-	-	3,068,345,130.56
Non-current liabilities due within one year	326,666.67	50,424,666.67	3,639,370,038.05	-	-	3,690,121,371.39
Long-term borrowings	2,178,645.83	4,357,291.67	19,607,812.50	785,678,164.58	-	811,821,914.58
Total	1,779,678,841.72	369,047,622.42	7,425,157,642.67	1,356,988,838.25	-	10,931,064,345.06

2020

Item	At call	1-3 months	3 months-1 year (1 year inclusive)	1 year - 5 years (5 years inclusive)	Above 5 years	Total
Short-term borrowings	3,043,884.75	704,443,269.49	559,256,951.23	-	-	1,266,744,105.47
Accounts payable	538,556,910.03	97,906,892.20	-	-	-	636,463,802.23
Other payables	1,168,708,392.46	-	-	477,637,169.16	-	1,646,345,561.62
Other current liabilities	4,131,670.37	1,002,071,232.88	2,012,205,479.45	-	-	3,018,408,382.70
Non-current liabilities due within one year	980,000.00	51,731,333.33	1,285,433,398.48	-	-	1,338,144,731.81
Long-term borrowings	868,333.33	1,736,666.67	7,815,000.00	298,671,166.67	-	309,091,166.67
Bonds payable	-	-	141,930,000.00	3,588,613,260.27	-	3,730,543,260.27
Total	1,716,289,190.94	1,857,889,394.57	4,006,640,829.16	4,364,921,596.10	-	11,945,741,010.77

Market risks

Interest rate risk

The risk of changes in market interest rates faced by the Group is mainly related to the Group's long-term liabilities at floating interest rates.

The Group manages interest costs by maintaining an appropriate combination of fixed-rate debts and variable-rate debts. In the long-term debts of the Group as of December 31, 2021, there are long-term loans of RMB 282 million in total. The interest rate is adjusted based on the benchmark loan interest rate on that day at the end of each year, and will not be adjusted in the middle of the year. Therefore, the management believes that the risk of changes in market interest rates is relatively low.

Foreign exchange rate risk

The Group faces trading exchange rate risks. Such risks are caused by sales or purchases made by certain business units in currencies other than their bookkeeping currency. 0.86% (2020: 3%) of the Group's sales in the current period were denominated in a currency other than the functional currency of the operating unit where the sales occurred, while 99% (2020: 98%) of the costs were denominated in the functional currency of the operating unit. Considering the Group's short time of inventory and timely collection of accounts receivable, the management believe that its foreign exchange rate risk is relatively low.

Price risk of equity instrument investments

The price risk of equity instrument investments refers to the risk of the fair value of equity securities decreasing due to the changes in stock indices and value of individual securities. As of December 31, 2021, the Group was exposed to the price risk of equity instrument investments arising from the individual equity instrument investments classified as the financial instruments that are measured by fair value and of which the changes in fair value are recognized in income in current period (Note VII. 2) or recognized in other comprehensive income (Note VII. 18). The listed equity instruments that were invested and held by the Group were listed on the Shanghai Stock Exchange and the Shenzhen Stock Exchange, respectively, the determination is made through discounting and adjustment using the trading prices of similar circulating stocks of the same listed company on the balance sheet date, combined with liquidity.

The market stock indexes of the following stock exchanges at the closing point of the trading day that is closest to the balance sheet date, and their respective highest and lowest closing points during the year are as follows:

	At the end of 2021	2021	At the end of 2020	2020
	Highest/lowest		Highest/lowest	
SZSE-A Share Index	2,648	2,691/2,229	2,438	2,442/1,683
SSE-A Share Index	3,814	3,912/3,472	3,640	3,640/2,788

The following table indicates the sensitivity of the Group's net profit and loss and other comprehensive income after tax to the change each 10% of the fair value of equity instrument investment (based on the book value on the balance sheet date) under the assumption that all other variables remain unchanged.

2021

	Equity instrument investment Book value	Net profit or loss	Other comprehensive income net after tax	Total shareholders' equity
Equity instrument investment		increase/(decrease)	increase/(decrease)	increase/(decrease)
Fair value increase/decrease by 10%				

Shenzhen - Investment in the equity instruments that are measured by fair value and of which the changes in fair value are recognized in other comprehensive income	642,187,968.77	-	48,164,097.66	48,164,097.66
Shanghai - Equity instrument investment at fair value through profit or loss	50,375,083.20	3,778,131.24	-	3,778,131.24

2020

	Equity instrument investment Book value	Net profit or loss	Other comprehensive income net after tax	Total shareholders' equity
Equity instrument investment		increase/(decrease)	increase/(decrease)	increase/(decrease)
Fair value increase/decrease by 10%				
Shenzhen - Investment in the equity instruments that are measured by fair value and of which the changes in fair value are recognized in other comprehensive income	662,256,342.79		49,669,225.71	49,669,225.71
Shanghai - Equity instrument investment at fair value through profit or loss	51,712,734.31	3,878,455.07	-	3,878,455.07

3. Capital management

The main objective of the Group in capital management is to ensure the Group's ability to continue operations and maintain a healthy capital ratio to support its business development and maximize the values for shareholders.

The Group manages and adjusts its capital structure based on the changes in the economic situation and the risk characteristics of related assets. To maintain or adjust the capital structure, the Group may adjust the distribution of profits to shareholders, return capital contribution to shareholders or issue new shares. The Group is not subject to external mandatory capital requirements. In 2021 and 2020, there was no change in capital management objectives, policies or procedures.

XI. Disclosure of fair value

1. Closing fair value of the assets and liabilities measured by fair value

√Applicable □Not Applicable

Unit: RMB

Item	Closing fair value			
	Level 1 fair value	Level 2 fair value	Level 3 fair value	Total
I. Continuous fair value measurement				
(1) Held-for-trading financial assets	50,375,083.20		25,000,000.00	75,375,083.20
1. Financial assets that are measured at fair value and whose changes are included in the current profit and loss	50,375,083.20		25,000,000.00	75,375,083.20
(2) Investment in equity instruments	50,375,083.20			50,375,083.20
(4) Bank wealth management			25,000,000.00	25,000,000.00

products				
(3) Other equity instruments investment	642,187,968.77			642,187,968.77
(vi) Other non-current financial assets	-	894,066,000.44	630,753,254.97	1,524,819,255.41
Total assets continuously measured by fair value	692,563,051.97	894,066,000.44	655,753,254.97	2,242,382,307.38

2. Basis for determining the market prices of the items continuously and non-continuously measured by Level 1 fair value

Applicable Not Applicable

The Group's continuous first-level fair value measurement items mainly include listed equity instruments, whose fair value is determined based on the market quotation on the last trading day of 2021.

3. Valuation techniques and qualitative and quantitative information of important parameters for the items continuously and non-continuously measured by Level 2 fair value

Applicable Not Applicable

The Group's level-2 items continuously measured at fair value mainly include unlisted equity investments and listed equity instruments with restricted sales conditions. The fair value of unlisted equity investments is determined based on the information in the financial statements of these unlisted companies on December 31, 2021, combined with comparable information of listed companies in the same industry under the comparable company multiplier method. In the listed equity instruments subject to restricted sales conditions, the valuation model is used to determine the fair value based on the market quotation, and the important observable input value is the liquidity discount.

4. Valuation techniques and qualitative and quantitative information of important parameters for the items continuously and non-continuously measured by Level 3 fair value

Applicable Not Applicable

The Group's level-3 items continuously measured at fair value include equity investments and debt investments in non-listed companies for which the comparable company multiplier method cannot be used. The fair value of the equity investments and debt investments in non-listed companies for which the comparable company multiplier method cannot be used are determined under the asset-based method as of December 31, 2021.

5. Adjustment information between the opening book value and closing book value, and the sensitivity analysis of unobservable parameters for items continuously measured by Level 3 fair value

Applicable Not Applicable

6. For items continuously measured by fair value, if there is conversion between different levels in the current period, the reasons for the conversion and the policy for determining the time of conversion

Applicable Not Applicable

7. Changes in valuation techniques in the current period and reasons for changes

Applicable Not Applicable

8. Fair value of financial assets and financial liabilities not measured by fair value√Applicable Not Applicable

December 31, 2021

	Entries used in the fair value measurement			Total
	Quotation in an active market Level 1	Important observable Entry Level 2	Important non-observable Entry Level 3	
Bonds payable (current portion included)		<u>3,552,960,829.66</u>	<u>3,552,960,829.66</u>	

9. Others√Applicable Not Applicable**Estimate of fair value**

Fair value of financial instruments

The table below shows the differences between book value and fair value of the Group's financial instruments other than the financial instruments with very small differences between book value and fair value and the equity instruments that did not have an offering price in the active market and whose fair value could not be measured reliably:

	Book value		Fair value	
	2021	2020	2021	2020
Financial liabilities Bonds payable (current portion included)	<u>3,552,960,829.66</u>	<u>4,584,565,819.27</u>	<u>3,549,754,103.37</u>	<u>4,566,553,461.90</u>

The management have evaluated cash and cash equivalents, accounts receivable, notes payable and accounts payable. Their fair values were equivalent to their book values as their remaining terms were not long. The fair values of long-term receivables, other non-current assets, long and short-term borrowings and long-term accounts payable were determined with the discounted future cash flow method, with the market yields of other financial instruments with similar contract terms, credit risks and remaining terms as the discount rates. Their fair values were equivalent to their book values.

The Group's finance department, headed by the General manager of the Group Finance Center, is responsible for developing policies and procedures for the fair value measurement of financial instruments. The General Manager of the Group Finance Center reports directly to the Group Finance Officer, who reports to the Audit Committee. On each balance sheet date, the financial department analyzes the changes in the value of financial instruments and determines the main input values applicable to the valuation. The valuation shall be reviewed and approved by the Group's Financial Director. For the preparation of semi-annual and annual financial statements, the valuation process and results are discussed with the audit committee twice a year.

The fair values of financial assets and financial liabilities refer to the amounts determined based on the voluntary exchange of assets or repayment of debts by the parties to arm's length transactions who are familiar with the transactions rather than forced sale or liquidation. The following methods and assumptions are used to estimate fair value.

The fair value of bonds payable is determined with the discounted future cash flow method, with the market yields of other financial instruments with similar contract terms, credit risks and remaining terms as the discount rates, and falls in Level 2. The significant unobservable inputs for measurement of the fair value of bonds payable are the prepayment rate and loss given default.

If there are no restrictions on the sale of listed equity instruments, the fair value is determined at the quoted market price. In the listed equity instruments subject to restricted sales conditions, the valuation model is used to determine the fair value based on the market quotation, and the important observable input value is the liquidity discount. The Group believes that the fair value estimated by valuation techniques is reasonable and is also the most appropriate value on the balance sheet date.

There was no significant conversion of the Group's and the Company's financial instruments measured by fair value between different levels in the current year and in the previous year.

XII. Related parties and related-party transactions

1. Parent company of the Company

Applicable Not Applicable

Unit: RMB10,000

Name of parent company	Place of registration	Business	Registered capital	Shareholding ratio in the Company (%)	Voting right ratio in the Company (%)
Yiwu China Commodities City Holdings Limited	Yiwu, Zhejiang	Asset management	100,000	55.33	55.33

Notes on the parent company of the Company

None

The ultimate controlling party of this enterprise is the State-owned Assets Supervision and Administration Office of Yiwu Municipal People's Government.

Other notes:

None

2. Subsidiaries of the Company

For details of the Company's subsidiaries, please refer to the Notes

Applicable Not Applicable

For details of subsidiaries, please refer to Note IX. 1. Equity in subsidiaries

3. Joint ventures and associates of the Company

For details of the Company's important joint ventures or associates, please refer to the Notes

Applicable Not Applicable

For details, please refer to Note IX. 3. Interests in joint ventures or associated enterprises

Other joint ventures or associates that have related-party transactions with the Company in the current period or had related-party transactions with the Company in the prior year which resulted in an outstanding amount are as follows

Applicable Not Applicable

Name of joint venture or associate	Relationship with the Company
Yiwu Shanglv	Joint venture
Redbud Capital	Joint venture
Binjiang Shangbo	Associate
Huishang Micro-finance	Associate
Zhejiang Yemai Data Technology Co., Ltd.	Associate
Yiwu Meipinshu Supply Chain Management Co., Ltd.	Associate
EBEL ALI FREE ZONE TRADER MARKET DEVELOPMENT AND OPERATZON FZCO	Associate

Yiwu Digital Port Technology Co., Ltd.	Associate
Yiwu China Commodities City Property Development Co., Ltd.	Associate

Other statements

Applicable Not Applicable

4. Other related parties

Applicable Not Applicable

Name of other related party	Relationship with the Company
SCO	Parent company of controlling shareholder of the Company's largest shareholder
MDG	Controlling shareholder of the Company's largest shareholder
Yiwu China Commodities City Property Service Co., Ltd.	Subsidiary of the Company's largest shareholder
Yourworld International Conference Center Company of Yiwu Market Development Group Co., Ltd.	Branch of Controlling shareholder of the Company's largest shareholder
Yiwu Security Service Co., Ltd.	Subsidiary of controlling shareholder of the Company's largest shareholder
Zhejiang Xingfuhu Sports Development Co., Ltd.	Subsidiary of controlling shareholder of the Company's largest shareholder
Huangyuan Shangbo	Subsidiaries of joint ventures
Chengzhen Property	Subsidiaries of joint ventures
Gongchen Shangbo	Subsidiaries of joint ventures
Tonghui Shangbo	Subsidiaries of joint ventures
Zhejiang Shangbo Property Co., Ltd.	Subsidiary of the Company's largest shareholder
Handing Shangbo	Subsidiaries of associates

Other statements

None

5. Related-party transactions

(1). Related-party transactions of purchasing and selling goods and rendering and accepting service

Purchasing goods/accepting service

Applicable Not Applicable

Unit: RMB

Related party	Contents of related-party transaction	Amount in the current period	Amount in the previous period
Yiwu Security Service Co., Ltd.	Epidemic prevention and control and exhibition security service fee	23,279,926.97	69,300.00
Yiwu China Commodities City Property Service Co., Ltd.	Property service fee and greening maintenance fee	13,721,576.38	-
Yiwu China Commodities City Creative Design and Development Services Co., Ltd.	Design fee	1,953,465.33	-

Selling goods/rendering service
Applicable Not Applicable

Unit: RMB

Related party	Contents of related-party transaction	Amount in the current period	Amount in the previous period
MDG and its branch Xingfuhu International Conference Center	Laundrying fees	1,594,054.55	1,515,186.29
Meipinshu	Procurement agency	231,822.45	310,367.07

Notes on related-party transactions of purchasing and selling goods and rendering and accepting service

Applicable Not Applicable

(2). Entrustment/contracting from and to related parties

Entrustment/contracting to the Company:

Applicable Not Applicable

Unit: RMB

Name of consignor/employer	Name of consignee/contractor	Type of entrusted/contracted assets	Starting date of entrustment/contracting	Ending date of entrustment/contracting	Pricing of entrustment income/contracting income	Entrustment income/contracting income recognized in the current period
MDG	The Company	Entrustment of other assets	February 1, 2020	January 31, 2025	Negotiated price	1,453,314.18

Notes on entrustment/contracting from related parties

Applicable Not Applicable

According to the Xingfuhu International Conference Center Management Contract signed by and between the Company and the Market Development Group, the Company is entrusted to manage Xingfuhu International Conference Center Hotel located at No. 100, Xingfuhu Road, Yiwu City. The hotel management fee collected during the reporting period was RMB 1,453,314.18 (2020: RMB 1,020,591.87)

Entrusted management/contracted by the Company

Applicable Not Applicable

Notes on related-party management/contracting

Applicable Not Applicable

(3). Related-party lease

The Company as the lessor:

Applicable Not Applicable

Unit: RMB

Name of lessee	Type of leased asset	Rental income recognized in the current period	Rental income recognized in the previous period
CCCP	Office space	3,767,104.11	-
Huishang Micro-finance	Office space	103,301.70	312,233.27
MDG	Office space	-	836,793.82
Redbud Capital	Office space	-	246,819.09
Zhejiang Yemai Data Technology Co., Ltd.	Office space	-	28,793.86

The Company as the lessee
Applicable Not Applicable

Unit: RMB

lessor name	Type of leased asset	Rental fee confirmed in the current period	Rental fee confirmed in the previous period
CCCH	Warehouses	3,947,798.16	-

Notes on related-party lease
Applicable Not Applicable

The Group rent office spaces from above related parties at market prices

(4). Related-party guarantees

The Company as the guarantor
Applicable Not Applicable

Unit: RMB

The guaranteed	Amount of guarantee	Starting date of the guarantee	Expiry date of the guarantee	Is the guarantee fulfilled in full
Yiwu Shanglv	145,287,733.04	July 1, 2015	December 15, 2026	No
Yiwu Shanglv	8,283,103.03	December 25, 2020	December 24, 2023	No

The Company as the guaranteed party
Applicable Not Applicable

Unit: RMB

Guarantor	Amount of guarantee	Starting date of the guarantee	Expiry date of the guarantee	Is the guarantee fulfilled in full
CCCH	8,283,103.03	December 25, 2020	December 24, 2023	No

Notes on related-party guarantees
Applicable Not Applicable

1. The Group provided guarantee for the borrowings of Yiwu Shanglv. As of December 31, 2021, Yiwu Shanglv actually borrowed RMB 296,505,600 (RMB 477,659,700 as of Dec 31, 2020) from banks. According to the guarantee contract, the Group assumed liability for RMB145,287,700 (RMB 234,053,300 as of Dec 31, 2020). The state-owned capital operation center provided counter-guarantee for the said loan.

2. The Group provided Yiwu Shanglv with a loan guarantee with the maximum amount not exceeding RMB 49 million to Yiwu Branch of Bank of Communications Co., Ltd. As of December 31, 2021, Yiwu Shanglv actually borrowed RMB 16,904,300 from the bank (December 31, 2020: RMB 11.50 million). As agreed in the guarantee contract, the Bank of Communications Co., Ltd. Yiwu Branch assumed a guarantee liability of RMB 8.2831 million (December 31, 2020: RMB 5.635 million). CCCH provided a counter-guarantee

(5). Related-party lending and borrowing

Applicable Not Applicable

Unit: RMB

Related party	Amount	Starting date	Maturity date	Remarks
Borrowings				
Huangyuan Shangbo	539,000,000.00	July 31, 2020		The Group allocated a total of RMB 539,000,000.00 of surplus funds from Huangyuan Shangbo in 2020, and a total of RMB 171,500,000.00 of surplus funds from Huangyuan Shangbo in 2021. The allocation was based on the

				share holding rate and the annual interest rate was 0%. As of December 31 2021, RMB 102,900,000.00 has been transferred back, and the return date of the remaining funds would be determined according to the capital needs of the Huangyuan Business Expo project.
Huangyuan Shangbo	171,500,000.00	January 26, 2021		Ditto
Chengzhen Property	27,200,000.00	October 22, 2020		In 2020, the Group allocated a total of RMB 27,200,000.00 of surplus funds from Chengzhen Real Estate a total of RMB 72,000,000.00 of surplus funds from Chengzhen Real Estate in 2021. The allocation was based on the share holding rate and the annual interest rate was 0%. The repayment date would be determined according to the capital needs of the Chengzhen Real Estate project.
Chengzhen Property	172,800,000.00	January 26, 2021		Ditto

Related party	Amount	Starting date	Maturity date	Remarks
Lending to				
Gongchen Shangbo	472,659,831.00	February 28, 2020	May 27, 2021	In 2020, the Group provided Gongchen Shangbo with financial assistance totaling RMB 521,659,831.00 at the annual interest rate of 10%. As of December 31, 2021, Gongchen Shangbo has repaid off successively.
Gongchen Shangbo	49,000,000.00	June 22, 2020	May 27, 2021	Ditto
Tonghui Shangbo	743,800,000.00	November 17, 2020	December 29, 2021	In 2020, the Group provided a total of RMB1,486,368,548.00 in financial assistance to Tonghui Shangbo, and in 2021, it provided a total of RMB138,160,000.00 in financial assistance to Tonghui Shangbo, with an annual interest rate of 6.5%. Tonghui Shangbo has repaid RMB 743,800,000.00 successively in 2021.
Tonghui Shangbo	742,568,548.00	November 17, 2020		Ditto
Tonghui Shangbo	138,160,000.00	February 26, 2021		Ditto
Handing Shangbo	267,540,000.00	December 11, 2020	December 29, 2021	In 2020, the Group provided financial assistance to Handing Shangbo totaling RMB 472,144,400.00, and in 2021, it provided financial assistance to Handing Shangbo totaling RMB 17,845,800.00, with an annual

				interest rate of 6%. Handing Shangbo has repaid RMB 267,540,000.00 successively in 2021.
Handing Shangbo	204,604,400.00	December 11, 2020		Ditto.
Handing Shangbo	17,845,800.00	May 11, 2021		Ditto
Guoshen Shangbo	1,372,000,000.00	April 19, 2021	December 30, 2021	In 2019, the Group provided a total of RMB 451,816,700.00 of financial assistance to Chengzhen Real Estate at an annual interest rate of 0% or 10%. Among them, the annual interest rate of the portion beyond the shareholding ratio is 10%. As of December 31, 2020, Chengzhen Real Estate has repaid off successively.
JEBEL ALI FREE ZONE TRADER MARKET DEVELOPMENT AND OPERATZON FZCO	63,465,484.42	March 9, 2020		The Group provided financial assistance to JEBEL ALI FREE ZONE TRADER MARKET DEVELOPMENT AND OPERATZON FZCO totaling RMB 63,465,484.42 in 2020, and provided financial assistance to JEBEL ALI FREE ZONE TRADER MARKET DEVELOPMENT AND OPERATZON FZCO totaling RMB 173,102,001.51 in 2021, with an annual interest rate of 6-month average EIBOR plus 5%, and the financial aid repayment period would be determined according to the progress of the project.
JEBEL ALI FREE ZONE TRADER MARKET DEVELOPMENT AND OPERATZON FZCO	109,636,517.09	March 31, 2021		Ditto

(6). Related-party transfer of assets and restructuring of debts

Applicable Not Applicable

(7). Remunerations of key officers

Applicable Not Applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Remunerations of key officers	23,333,482.40	22,487,812.15

(8). Other related-party transactions

Applicable Not Applicable

6. Accounts receivable from and payable to related parties**(1). Receivables**

√Applicable □Not Applicable

Unit: RMB

Item	Related party	Closing balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Accounts receivable	Tonghui Shangbo	6,200,000.00	-	-	-
Accounts receivable	Yourworld International Conference Center Company of Yiwu Market Development Group Co., Ltd.	369,743.93	-	-	-
Accounts receivable	Yiwu Gongchen Shangbo Property Co., Ltd.	97,351.08	-	-	-
Accounts receivable	CCCP	9,000.00	-	-	-
Accounts receivable	Meipinshu	-	-	3,791,271.51	-
Total		6,676,095.01	-	3,791,271.51	-
Other receivables-interest receivable	Gongchen Shangbo	-	-	101,380,259.61	-
Other receivables-interest receivable	Tonghui Shangbo	92,249,275.44	-	18,391,082.53	-
Other receivables-interest receivable	Handing Shangbo	-	-	1,629,868.34	-
Other receivables	Gongchen Shangbo	-	-	521,659,831.00	-
Other receivables	Tonghui Shangbo	880,728,548.00	-	1,486,368,548.00	-
Other receivables	Handing Shangbo	222,450,200.00	-	472,144,400.00	-
Total		1,195,428,023.44	-	2,601,573,989.48	-
Long-term receivables	Yiwu Shanglv	41,650,000.00	-	61,250,000.00	-
Long-term receivables	JEBEL ALI FREE ZONE TRADER MARKET DEVELOPMENT AND OPERATZON FZCO	173,102,001.51	-	65,506,573.8	-
Total		214,752,001.51	-	126,756,573.81	-

(2). Payables

√Applicable □Not Applicable

Unit: RMB

Item	Related party	Closing book balance	Opening book balance
Accounts payable	Zhejiang Yemai Data Technology	176,873.43	1,944,907.37
Total		176,873.43	1,944,907.37
Advance from customers	CCCP	612,288.99	612,289.00
Advance from customers	Huishang Micro-finance	20,798.09	119,444.13
Advance from customers	Yiwu Digital Port Technology Co., Ltd.	112,281.94	116,090.04
Advance from customers	Redbud Capital	82,273.06	82,272.97
Advance from customers	Zhejiang Yemai Data Technology Co., Ltd.	-	7,395.00
Advance from customers	Yiwu Meipinshu Supply Chain Management Co., Ltd.	31,195.06	29,076.43
Advance from customers	Yiwu China Commodities City Property Service Co., Ltd.	32,052.85	-
Total		890,889.99	966,567.57
Contract liabilities	Huishang Micro-finance	7,966.42	12,609.59
Contract liabilities	Yiwu Digital Port Technology Co., Ltd.	22,205.25	2,192.92
Contract liabilities	Yiwu Security Service Co., Ltd.	2,004.40	-
Contract liabilities	Yiwu China Commodities City Property Service Co., Ltd.	332.00	-
Total		32,508.07	14,802.51
Other payables	Huangyuan Shangbo	607,600,000.00	539,000,000.00
Other payables	Chengzhen Property	200,000,000.00	27,200,000.00
Other payables	MDG	63,334.76	400,421.10
Other payables	Huishang Micro-finance	33,000.00	85,000.00
Other payables	Zhejiang Yemai Data Technology Co., Ltd.	-	24,000.00
Other payables	CCCP	240,000.00	240,000.00
Other payables	Yiwu Meipinshu Supply Chain Management Co., Ltd.	57,000.00	57,000.00
Other payables	Yiwu Digital Port Technology Co., Ltd.	26,300.00	26,300.00
Other payables	Yiwu Shangfu Chuangzhi Investment Center (limited partnership)	34,000,500.00	-
Other payables	Binjiang Shangbo	14,700,000.00	-
Other payables	Yiwu Huishang Redbud Equity Investment Co., Ltd.	4,500,000.00	-
Other payables	Yiwu Shanglv Investment Development Co., Ltd.	75,000.00	-
Other payables	Gongchen Shangbo	3,000.00	-
Total		861,298,134.76	567,032,721.10

7. Related-party commitments

Applicable Not Applicable

8. Others

Applicable Not Applicable

XIII. Share-based payment**1. Overview of share-based payment**

Applicable Not Applicable

	Unit: Share	Currency: RMB
Total amount of equity instruments granted by the Company in the current period		2,340,000.00
The total amount of equity instruments exercised by the Company during the current period		-
The total amount of the Company's equity instruments that have lapsed during the current period		980,000.00
Scope of the exercise price of the stock options issued by the Company and the remaining period of the contract at the end of the period	The grant price was RMB 2.94, in 60 months from the date of grant registration	
Scope of the exercise price of other equity instruments issued by the Company and the remaining period of the contract at the end of the period		

Other statements

None

2. Share-based payment settled with equity

Applicable Not Applicable

	Unit: RMB
Method for determining the fair value of equity instruments on the grant date	Market price on grant day
Basis for determining the number of exercisable equity instruments	Determined based on the number of incentive objects that have reached the assessment target, through annual assessment on the Company's financial performance indicators and personal performance indicators.
Reason for the significant difference between the estimates in the current period and in the previous period	
Cumulative amount of equity-settled share-based payments included in the capital reserve	33,415,506.37
Total amount of expenses recognized by equity-settled share payments in the current period	33,415,506.37

Other statements

On December 10, 2020, the 2020 fifth provisional general meeting of shareholders of the Company reviewed and approved the "Plan on the Company's Restricted Equity Incentive Plan 2020 (Draft)" and its summary. A total of 50,480,000 restricted shares were granted, accounting for about 0.927% of the Company's total share capital of 5,443,214,176 shares, of which 47,920,000 shares were granted for the first time and 2,560,000 shares were reserved. During the subscription process, 10 incentive objects voluntarily waived the restrictions to be granted to them due to personal reasons. Therefore, 46,700,000 restricted shares were actually granted this time, and the number of incentive objects was 395. On January 15, 2021, the Company's board of directors has completed the registration of the first grant of restricted stocks.

After consideration and approval at the thirty-fifth meeting of the eighth the Board of Directors and the ninth meeting of the eighth Board of Supervisors of the Company held on August 9, 2021, in view of the fact that among the original incentive objects granted for the first time, 6 incentive objects including ZHAO Qitong no longer worked in the Company due to their position adjustments,

and three incentive objects including HOU Wenbin had resigned due to personal reasons, according to the relevant regulations of the "Incentive Plan" and the authorization of the Fifth Provisional General Meeting of Shareholders in 2020, the Board of Directors of the Company decided to repurchase and canceled a total of 980,000 restricted shares granted to the above nine persons but yet to be released. The Company would repurchase and cancel the restricted shares held by the above-mentioned 9 persons that had been granted but not yet been released at the sum of interest calculated at RMB 2.885 per share and the fixed deposit interest rate announced by the People's Bank of China for the same period. The total amount of restricted stock repurchase funds this time was RMB 2.852 million, and the above-mentioned repurchase funds would all be paid with the Company's own funds.

On September 6, 2021, Zhejiang Zhicheng Certified Public Accountants (Special General Partnership) issued the capital verification report (Zhe Zhi Kuai Yi Zi [2021] No. 17): The Company has received a total of RMB 5,592,600.00 for subscription of restricted shares from 31 restricted equity incentive objects, including RMB 2,340,000.00 in newly registered capital (share capital), and RMB 3,252,600.00 in capital reserve. The registered capital and share capital of the Company before the capital increase were both RMB 5,489,914,176.00, and the registered capital and share capital after the change were both RMB 5,492,254,176.00. During this grant registration process, in view of the fact that 3 of the incentive objects to be granted on the reserved grant date are no longer eligible for incentive objects due to their voluntary abandonment; 31 incentive objects actually subscribed this time, and 2.34 million shares were subscribed. On November 4, 2021, the registration procedures for the reserved grant of restricted stocks involved in this incentive plan were completed, and the Shanghai Branch of China Securities Depository and Clearing Corporation Limited issued the "Securities Change Registration Certificate".

The restricted stocks granted for the first time under the restricted equity incentive plan should be vested in three terms from the first trading day after 24 months after the grant registration is completed until the last trading day in 60 months after the grant registration is completed. That is, after the vesting conditions have been satisfied, employees have the right to purchase stocks at the vesting price. If the vesting conditions of the restricted equity incentive plan have been satisfied during the vesting period, the incentive objects can apply for the ownership of stocks and being listed for circulation.

3. Share-based payment settled with cash

Applicable Not Applicable

4. Modification and termination of share-based payment

Applicable Not Applicable

5. Others

Applicable Not Applicable

XIV. Commitments and contingencies

1. Important commitments

Applicable Not Applicable

Important external commitments, nature and amount thereof as of the balance sheet dates

Unit: RMB Yuan

Capital commitments	2021	2020
Signed but not provided	2,165,863,780.60	1,346,968,354.17

Investment commitments:

In 2017, the Group's wholly-owned subsidiary Yiwu China Commodities City Financial Holdings Co., Ltd. ("CCCCF") and Shanghai Fuxing Industry Group Co., Ltd. ("Fuxing") jointly established an industry fund Yiwu China Commodities City Fuxing Investment Center (limited partnership) (hereinafter referred to as the "FoF"). The FoF invested in 12 sub-funds including Yiwu Shangfu Chuangzhi Investment Center (limited partnership) ("Shangfu Chuangzhi Fund"). CCF subscribed for capital contribution of RMB998million in the FoF as a limited partner, accounting for 49.9% of the total capital contribution, and has paid in RMB102.92million. The unpaid portion of its subscribed capital contribution was promised to be RMB895.08million and was not subject to a term.

CCCF also made capital contribution of RMB9.8million (49% equity) to Yiwu China Commodities City Investment and Management Co., Ltd. (hereinafter referred to as the "CCCIM"), which was a general partner of the above FoF and sub-funds. Fuxing made capital contribution of 51% to and had control over CCCIM.

Shangfu Chuangzhi Fund raised funds of RMB823.36million in total. The FoF has subscribed for and paid in capital contribution of RMB205.84million as a limited partner (including the above RMB102.92million from CCCIM and the rest was contributed by Fuxing, the other limited partner of the FoF). As the other limited partner of Shangfu Chuangzhi Fund, CCCF has separately subscribed for and paid in capital contribution of RMB617.51million. In addition, neither the Group nor CCCF have invested in other sub-funds of the FoF. Subsequently, Shangfu Chuangzhi Fund made capital contribution of RMB820.54million to subscribe for the increase in the registered capital of Hubei Provincial Asset Management Co., Ltd. to acquire 22.667% equity therein. By 2019, 9 out of the above 12 sub-funds had been deregistered.

In 2018, CCCF learned during its after-investment follow-up management that Fuxing and its actual controller ZHU Yidong were suspected of having committed a criminal offense and the 22.667% equity held by Shangfu Chuangzhi Fund in Hubei Provincial Asset Management Co., Ltd. was frozen by the Public Security Bureau of Shanghai for a term from Sep 6, 2018 to Sep 6, 2019 due to Fuxing's contribution in the sources of the capital contribution. As of the approval date of the financial statements, the freeze period has been extended until September 2, 2022.

As of the approval date of the financial statements, the Group had not received any notice of capital contribution other than the above contributions that had been made or any notice of action involving the Group, CCCF, FoF and its sub-funds.

In addition, as of December 31, 2021, the Group had other investment commitments totaling RMB 1.28078 billion (December 31, 2020: RMB 201.71 million).

2. Contingencies

(1). Important contingencies on the balance sheet dates

√Applicable □Not Applicable

Item	Unit: RMB Yuan	
	2021	2020
Contingent liabilities resulting from the guarantee provided externally	158,634,169.67	973,992,539.81

According to relevant regulations, before the purchaser of the commercial housing sold by the Group has obtained the property certificate, the Group shall provide the purchaser with a bank mortgage guarantee. As of June 30, 2021, the unsettled guarantee amount was RMB 9,928,856.22 (December 31, 2020: RMB 16,170,141.08). Those guarantees would be released after the issuance of the property ownership certificates and are thus little likely to incur losses. Therefore, the management believed that it was not necessary to make provision for the guarantees.

According to the resolution of the 15th meeting of the 7th Board of Directors on Jul 1, 2015, the Group applied to the Yiwu Branch of ABC for a RMB750million loan for Yiwu Shanglv and provided guarantee based on its shareholding ratio. The guarantee was a joint and several liability guarantee, the maximum amount of guarantee was RMB367.5million and the term was 11 years. As of December 31, 2021, Yiwu Shanglv actually borrowed RMB 296,505,577.63 (December 31, 2020: RMB 477,659,739.88) from the banks in total. According to the agreement of the guarantee contract, it assumed the guarantee liability of RMB 145,287,733.04 (December 31, 2020: RMB 234,053,272.54) for the Agricultural Bank of China Yiwu Branch. Yiwu State-owned Capital Operation Co., Ltd. provided a counter guarantee for this guarantee.

According to the resolution of the 19th Meeting of the 8th Board of Directors on August 13, 2020, the Group applies for a loan with a total amount of not more than RMB 100 million for Yiwu Shanglv with the Bank of Communications Co., Ltd. Yiwu Branch and provided a guarantee in proportion to the shareholding ratio. The guarantee method was under joint liability, the maximum amount of the guarantee was RMB 49 million, and the guarantee period was two years, from the date of the expiry of the debt performance period agreed in the independent contract until the date of the expiration of the debt performance period of all last due main debt under the master contract. As of December 31, 2021, Yiwu Shanglv actually borrowed RMB 28,404,291.89 (December 31, 2020: RMB 11,500,000.00) from banks in total. According to the agreement of the guarantee contract, it assumed the guarantee liability of RMB 8,283,103.03 (December 31, 2020: RMB 5,635,000.00) for the Agricultural Bank of China Yiwu Branch. CCCH provided a counter-guarantee

(2). Notes shall also be made even if the Company has no important contingencies to be disclosed:

Applicable Not Applicable

3. Others

Applicable Not Applicable

XV. Post-balance sheet date events

1. Important non-adjusting events

Applicable Not Applicable

			Unit: RMB
Item	Content	Effect on financial status and operating results	Issuance of ultra-short-term financing notes for which the impact cannot be estimated: Reasons
Medium Term Note Issuance	On February 22, 2022, the Company issued the first issue of medium-term note of RMB 1 billion of Zhejiang China Commodities City Group Co., Ltd. in 2022, with a term of 3 years and annual interest payment at an interest rate of 3.29%.		

2. Profit distribution

Applicable Not Applicable

		Unit: RMB
Profits or dividends to be distributed		400,863,014.85
Profits or dividends announced through deliberation and approval		400,863,014.85

3. Sales return

Applicable Not Applicable

4. Other post-balance sheet date events

Applicable Not Applicable

XVI. Other important events

1. Correction of previous accounting errors

(1). Retrospective restatement

Applicable Not Applicable

(2). Prospective application

Applicable Not Applicable

2. Debt restructuring

Applicable Not Applicable

3. Exchange of assets**(1). Exchange of non-monetary assets**

Applicable Not Applicable

(2). Exchange of other assets

Applicable Not Applicable

4. Annuity plan

Applicable Not Applicable

5. Termination of operations

Applicable Not Applicable

6. Information of divisions**(1). Determination basis and accounting policy of reporting divisions**

Applicable Not Applicable

Information of divisions is reported based on business divisions of the Group. In the identification of region-based divisions, revenue is attributable to the divisions in the regions where the clients are located, and assets are attributable to the divisions in the regions where the assets are located. As the Group's main operating activities and operating assets are both concentrated in mainland China, it is not required to report more detailed information on region-based divisions.

The Group's businesses are organized and managed separately based on the nature of business and the products and services provided. Each business division of the Group is a business department or a subsidiary and provides the products and services that face the risk different from that faced by other business divisions and bring the compensations different from those brought by other business divisions. The detailed information on business divisions are summarized as follows:

(a) Market operation segment refers to the business that the Group is engaged in market operation, including the collection of business space usage fees and the rent of auxiliary buildings and office buildings;

(b) The commodities sales division engages in the purchase and sale of goods such as export trade;

(c) The hotel service division engages in the operation of hotels including accommodation and catering services;

(d) The exhibition advertising division engages in the design, production, placement and agency of advertisements;

(e) Other services division covers the provision of market-related auxiliary services.

The transfer pricing between divisions is made based on the prices offered to third parties and the then prevailing market prices.

(2). Financial information of reporting divisions

Applicable Not Applicable

Unit: RMB million

Item	Market operation	Sales of goods	Hotel service	Exhibition and advertising	Other services	Set-offs among divisions	Total
Revenue from external transactions	2,756	2,618	138	147	375	-	6,034
Revenue from inter-division transactions	15	44	6	12	49	126	-
Profits before	1,683	-42	-75	6	158	73	1,657

tax							
Total assets	39,021	1,361	452	622	5,404	15,980	30,880
Total liabilities	23,290	1,269	523	586	1,059	10,234	16,493
Capital expenditures	1,493	2	190	11	72	-	1,768
Long-term equity investment in joint ventures and associates	4,606	1	-	-	1,166	-	5,773

(3). If the Company does not have reporting divisions or is unable to disclose the total assets and total liabilities of each division, please explain

Applicable Not Applicable

(4). Other statements

Applicable Not Applicable

7. Other important transactions and events that have influence on investors' decisions

Applicable Not Applicable

8. Others

Applicable Not Applicable

XVII. Notes to main items in financial statements of parent company

1. Accounts receivable

(1). Disclosure based on account age

Applicable Not Applicable

Unit: RMB

Account age	Closing book balance
Within 1 year	23,204,362.72
1 to 2 years	100,234.00
2 to 3 years	352,588.44
Total	23,657,185.16

(2). Categorized disclosure based on the bad debt provision method

Applicable Not Applicable

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Provision ratio (%)		Amount	Proportion (%)	Amount	Provision ratio (%)	
Accounts receivable for which bad debt provision is made by Group	23,657,185.16	100.00	27,502.47	0.12	23,629,682.69	14,686,565.66	100.00	14,988.19	0.10	14,671,577.47

Total	23,657,185.16	/	27,502.47	/	23,629,682.69	14,686,565.66	/	14,988.19	/	14,671,577.47
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Accounts receivable for which bad debt provision is made individually:

Applicable Not Applicable

Explanation for making bad debt provision for accounts receivable by Group:

Applicable Not Applicable

Items for which the bad debts are provided for by combination: by combination of credit risk characteristics

Unit: RMB

Name	Closing balance		
	Accounts receivable	Bad debt provision	Provision ratio (%)
Provision for bad debt by combination of credit risk characteristics	23,657,185.16	27,502.47	0.12
Total	23,657,185.16	27,502.47	0.12

Standard for recognition of provision for bad debt by combination of credit risk characteristics and descriptions:

Applicable Not Applicable

If the bad debt provision is made according to the general model of expected credit loss, please refer to the disclosure of other receivables:

Applicable Not Applicable

Unit: RMB Yuan

Account age	2021			2020		
	Estimated book balance in default	Expected credit loss rate (%)	Expected credit loss in whole duration	Estimated book balance in default	Expected credit loss rate (%)	Expected credit loss in whole duration
Within 1 year	23,204,362.72	0.01	50.87	14,267,749.52	0.01	1,350.33
1 - 2 years	100,234.00	0.29	286.13	407,254.08	0.51	2,075.80
2 - 3 years	352,588.44	7.70	27,165.47	-	13.76	-
Over 3 years	-	100.00	-	11,562.06	100.00	11,562.06
Total	23,657,185.16		27,502.47	14,686,565.66		14,988.19

(3). Provisions for bad debts

Applicable Not Applicable

Unit: RMB

Category	Opening balance	Amount of change during the current period		Closing balance
		Provision	Recovery or reversal	
Bad debt provision for accounts receivable	14,988.19	50,558.20	38,043.92	27,502.47
Total	14,988.19	50,558.20	38,043.92	27,502.47

In which the recovered or reversed amount is important:

Applicable Not Applicable

(4). Accounts receivable actually written off during the current period

Applicable Not Applicable

Information of write-off of important accounts receivable

Applicable Not Applicable

(5). Accounts receivable from the five debtors with the highest closing balance

Applicable Not Applicable

(6). Accounts receivable derecognized due to transfer of financial assets

Applicable Not Applicable

(7). Amounts of assets and liabilities formed by the transfer of accounts receivable and continuing involvement

Applicable Not Applicable

Other notes:

Applicable Not Applicable

2. Other receivables

Presentation of items

Applicable Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Interest receivable	92,249,275.44	121,401,210.48
Other receivables	1,114,837,610.55	2,530,219,399.58
Total	1,207,086,885.99	2,651,620,610.06

Other notes:

Applicable Not Applicable

Interest receivable

(1). Classification of interest receivable

Applicable Not Applicable

Unit: RMB

Item	Closing balance	Opening balance
Cash occupation fee for receivables	92,249,275.44	121,401,210.48
Total	92,249,275.44	121,401,210.48

(2). Significant overdue interest

Applicable Not Applicable

(3). Bad debt provision

Applicable Not Applicable

Other notes:

Applicable Not Applicable

As of December 31, 2021, the receivable capital occupation fee was the capital occupation fee collectable by the Company for providing financial assistance to joint ventures and associated enterprises.

Dividend receivable**(1). Dividend receivable**

Applicable Not Applicable

(2). Important dividend receivable with an account age longer than 1 year

Applicable Not Applicable

(3). Bad debt provision

Applicable Not Applicable

Other notes:

Applicable Not Applicable

Other receivables**(1). Disclosure based on account age**

Applicable Not Applicable

Unit: RMB

Account age	Closing book balance
Within 1 year	6,125,410.03
1 to 2 years	1,103,741,875.92
2 to 3 years	200,000.00
Over 3 years	5,663,633.70
Bad debt provision for other receivables	-893,309.10
Total	1,114,837,610.55

(2). Classification based on the nature of accounts

Applicable Not Applicable

Unit: RMB

Nature of receivable	Closing book balance	Opening book balance
Financial assistance receivable from joint ventures	1,103,178,748.00	2,480,172,779.00
Receivables from self-operated land	-	42,493,714.00
Reserve	267,208.49	430,887.57
Withholdings, deposit and margin	11,391,654.06	7,142,019.01
Total	1,114,837,610.55	2,530,239,399.58

(3). Bad debt provision

Applicable Not Applicable

Unit: RMB

Bad debt provision	Phase I	Phase 2	Phase 3	Total
	Expected credit loss in the coming 12 months	Expected credit loss in the entire duration (credit has not been impaired)	Expected credit loss in the entire duration (credit has been impaired)	
Balance on January 1, 2021	285,589.88			285,589.88
Provision made in the current period	1,305,420.60			1,305,420.60
Current reversal	327,974.30			327,974.30
Current write-off	369,727.08			369,727.08
Balance on December 31, 2021	893,309.10			893,309.10

Significant changes in the book balance of other receivables with changes in loss provisions:

Applicable Not Applicable

Basis for the bad debt provision made in the current period and for assessing whether the credit risk of financial instruments has increased significantly:

Applicable Not Applicable

(4). Provisions for bad debts

Applicable Not Applicable

Unit: RMB

Category	Opening balance	Amount of change during the current period			Closing balance
		Provision	Recovery or reversal	Charge-off or write-off	
Bad debt provision for other receivables	285,589.88	1,305,420.60	327,974.30	369,727.08	893,309.10
Total	285,589.88	1,305,420.60	327,974.30	369,727.08	893,309.10

In which the recovered or reversed amount is important:

Applicable Not Applicable

(5). Other receivables actually written off during the current period

Applicable Not Applicable

(6). Other receivables from the five debtors with highest closing balance

Applicable Not Applicable

Unit: RMB

Debtor	Nature of receivable	Closing balance	Account age	Weight in the total closing balance of other receivables (%)	Bad debt provision Closing balance
Yiwu Tonghui Shangbo Real Estate Co., Ltd.	Financial assistance	880,728,548.00	1-2 years	78.94	-
Yiwu Handing Shangbo Real Estate Co., Ltd.	Financial assistance	222,450,200.00	1-2 years	19.94	-
Zhejiang Yuntong Advertising Co., Ltd.	Current payments	596,580.00	Over 3 years	0.05	-
Yiwu Haoyang Construction Co., Ltd.	Current payments	278,106.18	Within 1 year	0.02	-
Yiwu Chengxi Sub-district Office	Margin	225,000.00	1-2 years	0.02	-
Total	/	1,104,278,434.18	/	98.97	-

(7). Receivables involving government grants

Applicable Not Applicable

(8). Other receivables derecognized due to transfer of financial assets

Applicable Not Applicable

(9). Amounts of assets and liabilities formed by the transfer of other receivables and continuing involvement

Applicable Not Applicable

Other notes:

Applicable Not Applicable

3. Long-term equity investment

Applicable Not Applicable

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment in subsidiaries	4,190,057,937.33	570,000,000.00	3,620,057,937.33	3,727,825,391.43	570,000,000.00	3,157,825,391.43
Investment in associates and joint ventures	4,625,942,083.47	-	4,625,942,083.47	2,925,310,036.59	-	2,925,310,036.59
Total	8,816,000,020.80	570,000,000.00	8,246,000,020.80	6,653,135,428.02	570,000,000.00	6,083,135,428.02

(1). Investment in subsidiaries

Applicable Not Applicable

Unit: RMB

Investee	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Current provision for impairment	Closing balance of impairment provision
Yiwu China Commodities City Supply Chain Management Co., Ltd.	55,255.02	100,741,437.51	-	100,796,692.53	-	-
Yiwu China Commodities City Import and Export Co., Ltd.	50,073,398.48	51,358,314.60	-	101,431,713.08	-	-
Yiwu China Commodities City Tourism Development Co., Ltd.	70,264,019.49	1,168,355.68	-	71,432,375.17	-	-
Yiwu China Commodities City Overseas Investment and Development Co., Ltd.	100,041,073.44	749,590.26	-	100,790,663.70	-	-
Yiwu China Commodities City Commerce and Trade Service Training Center Co., Ltd.	100,000.00	-	-	100,000.00	-	-
Zhejiang Yindu Hotel Management Co., Ltd.	1,570,540.29	4,177,181.55	-	5,747,721.84	-	-

Yiwu China Commodities City Big Data Co., Ltd.	81,534,944.31	19,896,768.77	-	101,431,713.08	-	-
Yiwu Comprehensive Bonded Zone Operation and Management Co., Ltd.	6,014,844.64	12,677,291.68	-	18,692,136.32	-	-
Yiwu China Commodities City Research Institute Co., Ltd.	1,124,741.06	4,670,316.71	-	5,795,057.77	-	-
Zhejiang Huajie Investment and Development Co., Ltd.	53,121,810.63	8,738,911.49	-	61,860,722.12	-	-
Yiwu China Commodities City Assets Operation and Management Co., Ltd.	5,080,000.00	4,920,000.00	-	10,000,000.00	-	-
Yiwu China Commodities City Exhibition Co., Ltd.	18,044,533.91	812,743.83	-	18,857,277.74	-	-
Yiwu China Commodities City Advertising Co., Ltd.	39,221,752.54	761,983.76	-	39,983,736.30	-	-
Hangzhou Shangbo Nanxing Property Co., Ltd.	50,000,000.00	-	-	50,000,000.00	-	-
Yiwu Commodities City Gonglian Property Co., Ltd.	200,000,000.00	-	-	200,000,000.00	-	-
Yiwu Shangbo Property Co., Ltd.	300,000,000.00	-	-	300,000,000.00	-	-
Yiwu China Commodities City Information Technology Co., Ltd.	200,594,000.00	-	150,000,000.00	50,594,000.00	-	-
Yiwu China Commodities City Logistics and Distribution Co., Ltd.	23,471,131.52	39,910,658.40	-	63,381,789.92	-	-
Haicheng Yiwu China Commodities City Investment Development Co., Ltd.	43,709.21	670,688.91	-	714,398.12	-	570,000,000.00
Yiwu China Commodities City Financial Holdings Co., Ltd.	1,957,469,636.88	240,978,302.76	-	2,198,447,939.64	-	-
Zhejiang China Commodities City Group Commercial Factoring Co., Ltd.	-	120,000,000.00	-	120,000,000.00	-	-
Total	3,157,825,391.42	612,232,545.91	150,000,000.00	3,620,057,937.33	-	570,000,000.00

(2). Investment in associates and joint ventures

√Applicable □Not Applicable

Unit: RMB

Investment Unit	Opening amount Balance	Change in the current period			Closing amount Balance	Closi ng balan ce of impai rmen t
		Additional investment	Investment gains or losses recognized with the equity method	Declared a cash dividend or profit		

						provision
1. Joint ventures						
Yiwu Shanglv	365,830,756.91	-	17,837,597.30	-	383,668,354.21	-
Yiwu Rongshang Property	22,319,075.64	-	195,068,462.30	-	217,387,537.94	-
Yiwu Chuangcheng Property	11,444,786.74	-	76,618,539.06	-	88,063,325.80	-
Others	8,713,045.29	17,850,000.00	23,602,002.68	-	50,165,047.97	-
Sub-total	408,307,664.58	17,850,000.00	313,126,601.34	-	739,284,265.92	-
2. Associates						
Binjiang Shangbo	154,152,267.42	-	17,523,961.66	137,200,000.00	34,476,229.08	-
Huishang Micro-finance	71,396,566.07	-	11,428,130.57	-	82,824,696.64	-
Chouzhou Financial Lease	371,320,662.02	-	54,700,187.22	-	426,020,849.24	-
Pujiang Lvgu Property Co., Ltd.	370,318,840.76	-	79,608,970.60	-	449,927,811.36	-
CCCP	1,500,517,785.02	1,225,000,000.00	60,365,490.42	-	2,785,883,275.44	-
Others	49,296,250.72	50,000,000.00	8,228,705.07	-	107,524,955.79	-
Sub-total	2,517,002,372.01	1,275,000,000.00	231,855,445.54	137,200,000.00	3,886,657,817.55	-
Total	2,925,310,036.59	1,292,850,000.00	544,982,046.88	137,200,000.00	4,625,942,083.47	-

Other notes:

None

4. Operating revenue and operating cost**(1). Overview of operating revenue and operating cost**

√Applicable □Not Applicable

Unit: RMB

Item	Amount in the current period		Amount in the previous period	
	Revenue	Cost of sales	Revenue	Cost of sales
Main business	2,538,880,872.96	944,011,791.40	2,323,724,833.35	979,994,093.76
Other businesses	383,244,529.97	118,870,105.91	680,736,868.13	77,147,542.46
Total	2,922,125,402.93	1,062,881,897.31	3,004,461,701.48	1,057,141,636.22

(2). Revenue generated from contracts

√Applicable □Not Applicable

Unit: RMB

Classified by type of contract	Total
Types of goods	
The use of shops in the Commodity City and its supporting services	2,442,029,375.27
Hotel accommodation and catering services	151,717,051.19
Revenue from use fees	100,190,909.74
Other services	8,074,777.37
Classified by business area	
Chinainland	2,702,012,113.57
Classified by contract period	
Revenue confirmed at certain time point	
Hotel catering services	100,740,246.11
Other services	7,806,164.06
Revenue confirmed during certain time period	
The use of shops in the Commodity City and its supporting	2,442,029,375.27

services	
Hotel accommodation service	50,976,805.08
Revenue from use fees	100,190,909.74
Other services	268,613.31
Total	2,702,012,113.57

Description of the income from contracts:

Applicable Not Applicable

The income recognized in the current year and included in the opening book value of contractual liabilities is as follows:

Unit: RMB

Type of contract	Current period
The use of shops in the Commodity City and its supporting services	2,252,809,691.96
Hotel accommodation service	13,367,212.91
Other services	9,059,873.51
Total	2,275,236,778.38

(3). Contract performance obligations

Applicable Not Applicable

The information related to the performance obligations of the Group is as follows:

The use of shops in the Commodity City and its supporting services

The contractual performance obligation is fulfilled when providing the use of shops in the Commodity City and the supporting services for business. For the use of shops in the Commodity City and the supporting services for business, the progress of contract performance is determined based on the number of using days of the shops. Customers usually need to pay in advance before the use of shops in the Commodity City and the supporting services for business are provided.

Hotel accommodation business

The performance obligation is fulfilled when providing hotel accommodation services. For the hotel accommodation business, the progress of contractual performance is determined based on the number of days of stay. For hotel accommodation services, a partial deposit is collected from the customer first, and the remaining contract price is usually collected upon the completion of the hotel accommodation services.

Hotel catering business

The performance obligation is fulfilled when the hotel catering services are provided. The contract price for hotel catering services is usually charged when the hotel catering services are performed.

Fixed -time paid funding services

The performance obligation is fulfilled when the fixed-time paid funding service is provided. For the fixed-time paid funding service, the progress of contractual performance is determined based on the number of using days of the fund. For the fixed-time paid funding service, the contract price is usually charged regularly as agreed in the contract.

(4). Amortization to remaining contract performance obligations

Applicable Not Applicable

Other notes:

As of December 31, 2021, the transaction price allocated to the remaining performance obligations was RMB 3,029,673,931.75. The Group expects that this amount will be recognized as an income in the coming 5 years with the progress of relevant service provision.

5. Investment income

Applicable Not Applicable

Unit: RMB

Item	Amount in the current	Amount in the
------	-----------------------	---------------

	period	previous period
Income from long-term equity investment with the cost method	40,000,000.00	-
Income from long-term equity investment calculated with the equity method	544,982,046.87	64,824,176.63
Investment income from disposal of long-term equity investment	-	551,295,000.00
Dividend income from other equity instruments investment during holding period	12,542,733.80	10,034,187.04
Investment income from disposal of held-for-trading financial assets	67,265.74	377,061.16
Investment income from disposal of wealth management products	-	461,232.89
Income acquired from other non-current financial assets during the holding period	728,950.32	31,738,134.32
Total	598,320,996.73	658,729,792.04

Other notes:

None

6. Others

Applicable Not Applicable

XVIII. Supplements

1. Detailed statement of current non-recurring items

Applicable Not Applicable

Unit: RMB

Item	Amount	Remarks
Gain or loss from the disposal of non-current assets	-561,416.89	
Government grants that are recognized in the current profit or loss, excluding government grants that are closely related to the businesses of the Company and are provided in a fixed amount or quantity according to the unified national standards	23,559,898.01	Please refer to details of other income and government grants accounted for profit or loss for the current period
Cash occupation fees charged from non-financial enterprises that are recognized in the current profit or loss	107,299,598.45	Fees paid for using fund collected from joint ventures including Tonghui Shangbo and Handing Shangbo
Gain or loss from changes in fair value of held-for-trading financial assets, derivative financial assets, financial liabilities held for trading and derivative financial liabilities, and investment income from the disposal of held-for-trading financial assets, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt instruments, except for effective hedging during the ordinary course of business	7,298,587.58	Mainly due to gains or losses from the changes in fair value arising from the holding of held-for-trading financial assets and other non-current financial assets
Net income from other non-operating activities	3,504,923.76	
Other profit and loss items that meet the	1,604,200.49	

definition of non-recurring profit and loss		
Less: effect of income tax	28,698,936.71	
Effect of minority interest	1,718,948.89	
Total	112,287,905.80	

Explanations shall be made for the non-recurring items identified by the Company according the Explanatory Announcement No. 1 on Information Disclosure by Companies Publicly Offering Securities – Non-recurring Items, and for the Company identifying the non-recurring items enumerated in the Explanatory Announcement No. 1 on Information Disclosure by Companies Publicly Offering Securities – Non-recurring Items as recurring items.

Applicable Not Applicable

2. ROE and EPS

Applicable Not Applicable

Profits in the reporting period	Weighted average ROE (%)	EPS	
		Basic EPS	Diluted EPS
Net profits attributable to common shareholders of the Company	9.38	0.25	0.25
Net profits attributable to common shareholders of the Company after deducting non-recurring gains and losses	8.59	0.22	0.22

3. Differences in accounting data between foreign and Chinese accounting standards

Applicable Not Applicable

4. Others

Applicable Not Applicable

Chairman of Board of Directors: ZHAO Wenge

Date of approving by the Board of Directors for release: March 22, 2022

Amendment

Applicable Not Applicable