

Stock Code: 600415

Stock Abbreviation: 小商品城

Zhejiang China Commodities City Group Co., Ltd. 2022 Annual Report

Important Note

- I. **The Board of Directors, the supervisory committee 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 2022, cash dividends of RMB 0.65 (tax inclusive) will be distributed for every 10 shares. According to the total share capital of the Company at the end of 2022, cash dividends of RMB 356,594,821.44 (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 other 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.
	The original audit report with the seal of the accounting firm and the signature and seal of the certified public accountant
	The originals of all company documents and announcements publicly disclosed during the reporting period

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
Zhijie Yuangang	means	Zhejiang Zhijie Yuangang International Supply Chain Technology Co., Ltd.
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.
Yiwu Shanglv	means	Yiwu Shanglv Investment Development Co., Ltd.
Chouzhou Financial Lease	means	Zhejiang Chouzhou Financial Lease Co., Ltd.
Yiwu Shangbo	means	Yiwu Shangbo Yuncang Enterprise Management Co., Ltd.
Handing Shangbo	means	Yiwu Handing Shangbo Real Estate 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	浙江中国小商品城集团股份有限公司
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	Nil

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 Signing Certified Public Accountants	YIN Guowei, HUANG Zhigang

VII. Major accounting data and financial indicators in the past three years**(i) Major accounting data**

Unit: RMB

Major accounting data	2022	2021	YoY change (%)	2020
Operating revenue	7,619,693,742.60	6,033,842,972.95	26.28	3,725,686,100.39
Net profits attributable to shareholders of the Listed Company	1,104,719,091.71	1,334,095,906.95	-17.19	926,626,706.42
Net profit attributable to shareholders of the Listed Company after deducting non-recurring profits and losses	1,765,087,553.23	1,221,808,001.15	44.47	517,246,267.88
Net cash flow from operating activities	1,400,090,713.77	2,033,082,507.76	-31.13	828,788,261.95
	At the end of 2022	At the end of 2021	YoY change (%)	At the end of 2020
Net assets attributable to shareholders of the Listed Company	15,262,290,780.57	14,610,845,868.33	4.46	13,558,228,377.08
Total assets	32,111,004,317.38	31,014,635,513.35	3.54	28,750,127,146.86

(ii) Major financial indicators

Major financial indicators	2022	2021	YoY change (%)	2020
Basic EPS (RMB)	0.20	0.25	-20.00	0.17
Diluted EPS (RMB)	0.20	0.25	-20.00	0.17
Basic EPS after deducting non-recurring profits and losses (RMB/share)	0.32	0.22	45.45	0.10
Weighted average ROE (%)	7.30	9.38	Down 2.08 ppt	6.88
Weighted average ROE after deducting non-recurring profits and losses (%)	11.67	8.59	Up 3.08 ppt	3.84

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 1.586 billion 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 decreased by RMB 229 million compared with the same period of the previous year, mainly due to the implementation of the rent reduction policy, which resulted in a decrease of RMB 840 million in operating

gross profit, the increase of RMB 407 million in investment income and the decrease of RMB 281 million in income tax expenses compared with the same period of the previous year.

3. The net profit attributable to shareholders of the listed Company after deduction of non-recurring profits and losses increased by RMB 543 million compared with the same period of the previous year, mainly due to the decrease of RMB 229 million in net profits attributable to shareholders of the listed Company and the increase of RMB 773 million in non-recurring profits and losses compared with the same period of the previous year.
4. The net flow generated by operating activities decreased by RMB 633 million compared with the same period of the previous year, mainly due to the decrease of RMB 916 million YoY in the net cash received after deduction of payment for sales of goods and provision of service and the increase of RMB 319 million YoY in the tax refund received.

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 2022

Unit: RMB

	1st Quarter January to March	2nd Quarter April to June	3rd Quarter July to September	4th Quarter October to December
Operating revenue	1,597,965,861.91	2,609,061,754.55	2,113,429,925.63	1,299,236,200.51
Net profits attributable to shareholders of the Listed Company	672,246,046.23	549,959,932.58	397,670,847.78	-515,157,734.88
Net profit attributable to shareholders of the Listed Company after deducting non-recurring profits and losses	656,190,767.01	525,525,039.63	379,914,236.83	203,457,509.76
Net cash flow from operating activities	-658,351,559.97	-8,235,773.65	329,304,785.87	1,737,373,261.52

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 2022	Remark (if applicable)	Amount for 2021	Amount for 2020
Profits or losses from the disposal of non-current assets	-1,130,587.34		-561,416.89	383,206,932.21
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	38,802,436.81	Please refer to details of other income and government grants accounted for profit or loss for the current period	23,559,898.01	18,655,980.14
Cash occupation fees charged from non-financial enterprises that are recognized in the current profit or loss	52,315,023.80	Cash occupation fee for receiving financial aid	107,299,598.45	124,744,826.38
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
Profits or losses 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	166,489.60	Mainly due to profits or losses arising from the change in fair value	7,298,587.58	-32,578,800.48
Profits and losses arising from external entrusted loans	79,561.64		-	11,786,857.07
Net income from other non-operating activities	3,244,125.63		3,504,923.76	-4,107,200.75
Other profit and loss items that meet the definition of non-recurring profit and loss	-975,086,670.50	Mainly due to the implementation of the rent reduction policy	1,604,200.49	688,953.43

Less: effect of income tax	-223,084,975.36		28,698,936.71	122,917,029.51
Effect of minority interest (after-tax)	1,843,816.52		1,718,948.89	1,408,133.75
Total	-660,368,461.52		112,287,905.80	409,380,438.54

Explanations shall be made for the non-recurring items identified by the Company according to 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

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	7,537.51	6,233.10	-1,304.41	-12.71
Other equity instruments investment	64,218.80	49,920.08	-14,298.72	1,254.27
Other non-current financial assets	152,481.93	150,030.76	-2,451.17	2,765.87
Total	224,238.24	206,183.94	-18,054.30	4,007.43

XII. Others

□Applicable √Not applicable

Section III. Discussion and Analysis of Managers

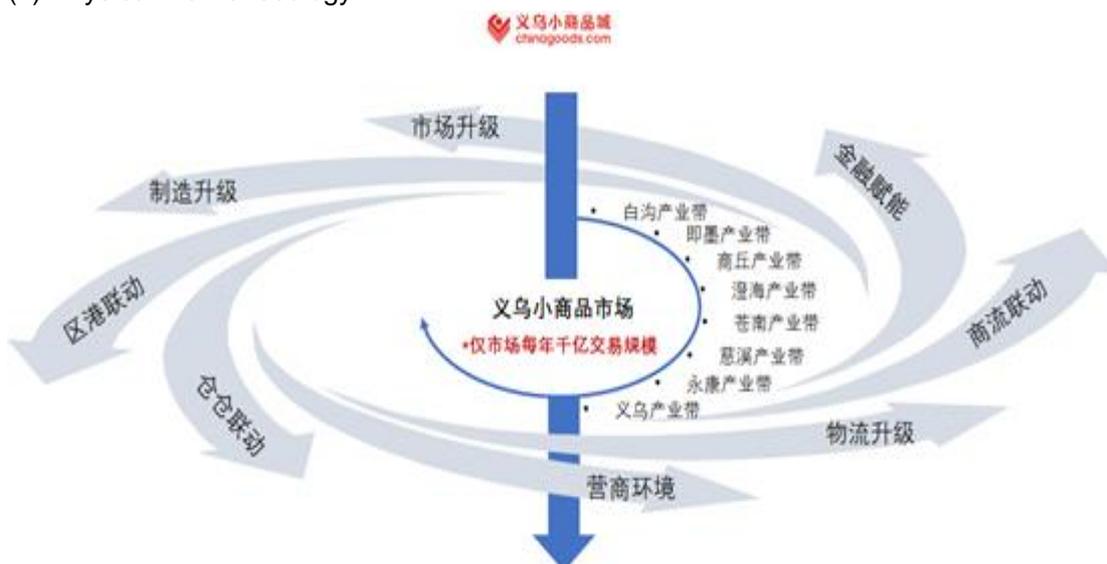
I. Discussion and analysis of operation

In 2022, the 20th National Congress of the Communist Party of China was successfully held, the "14th Five-Year Plan" entered a critical stage of implementation, and Yiwu Market celebrated its 40th anniversary. Under the guidance of "Yiwu's development experience" and the development strategy of "prospering businesses to build counties (cities)", Yiwu Market has written a legendary story in the history of China's economic development. It has experienced six relocations, twelve expansions, and five generations of transition. The form of the market ranges from regional trading, to buying and selling national products, and then to buying and selling global products: the first generation of road market; the second generation of stall market; the third generation of scaffolding market; the fourth generation of indoor market; the fifth generation of international trade city. Today's Yiwu Market brings together more than 2.1 million kinds of commodities in 26 categories. Here, "there is something you can't think of but nothing you can't buy." With more than 10,000 new products launched every day, Yiwu Market exports the quality, brand, and standard of small commodities to the world, and has become the "leader of China Chic" and "supplying place of hot styles". See Yiwu for global small commodities. The small commodity index has become a barometer of global small commodity trade.

In 2022, Yiwu City achieved import and export of RMB 478.80 billion, an increase of 22.7% YoY. Among them, exports were RMB 431.64 billion, an increase of 18.0% YoY; imports were RMB 47.16 billion, an increase of 93.5% YoY. Market procurement trade mode is still the main force to promote the growth of Yiwu's export share. Regionally, Southeast Asia, the Middle East and Latin America continue to occupy a relatively high market share in trade with Yiwu, and the countries along the "Belt and Road" and in the "RCEP" region continued to bring opportunities to the Yiwu Market.

During the reporting period, in the face of geopolitical conflicts and other impacts and challenges, the Company anchored the strategic goal of "building a first-class international trade comprehensive service provider", under the framework of a unified national market, promoted business development as a whole, and broke through physical constraints of traditional business with digital reform, sped up the construction of a real economic ecology centered on the market and a digital economic ecology centered on the Chinagoods platform.

(1) Physical market ecology



1. Overall situation of the market

In 2022, the Company's core competitiveness in the market was steadily improved. During the reporting period, the Company took multiple measures to drive market operators to upgrade from the era of information trade to the era of digital trade. The occupancy rate of market space remained above 98%, and the turnover was RMB 202.09 billion, an increase of 8.3% YoY, showing strong resilience and vitality.

(1) Second District East New Energy Product Market

In 2022, the Company took advantage of the Yiwu Market's product system, customer groups, trade services and new energy application product trade to create the first professional market for new energy product display and trading in China—Second District East new energy product market. During the reporting period, the Second District East market completed part of the investment promotion work, and collected a total of RMB 856 million in admission qualification fees and business space usage fees. At present, the Second District East market has officially opened. A series of digital application scenarios have been implanted in the Second District East to build a digital market system. The digital market is based on the most cutting-edge digital trade concept, combined with the characteristics of Yiwu Market, to build an excellent experience scene. Through cloud computing and trade Internet as information technology support, intelligent integrated management system is used for unified management and control, and the high availability of market intelligent operation is improved. Through the construction

and output of AI capabilities such as natural language theory, computer vision, machine learning and intelligent voice, it helps market participants (purchasers, business operators, etc.) to connect with the market, to realize the application of industrial digital achievements in off-line markets.

(2) Overseas market

During the reporting period, Dubai Yiwu China Commodities City (hereinafter referred to as Dubai Market) opened for business. It takes a 15-minute drive from Maktoum Airport and Jebel Ali Port, one of the largest ports in the Middle East, to the Dubai Market, effectively radiating the consumer market of nearly 1 billion people around (the Middle East, North Africa, Europe, etc.). The Dubai Market is the first overseas submarket in the Company's "global strategy", and it is also one of the important measures for the Company to integrate into the new development pattern of domestic and international dual circulation. Dubai is the "Gateway to the Middle East" and the largest trade distribution center for Made-in-Yiwu commodities in the Middle East. The Dubai Market is connected to the Yiwu Market. Through the gradual synchronization of products, it solves the pain points such as high procurement costs for some overseas buyers going to Yiwu, weak online display experience, and low online communication efficiency. 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.

(3) Comprehensive bonded zone

In 2022, Yiwu Comprehensive Bonded Zone insisted on digital reform to speed up development, and through measures such as precise project investment promotion, refined operation management, innovative business expansion and other measures, achieved import volume will over RMB 20 billion, ranking first among the newly approved comprehensive bonded zones in 2020-2022. Yiwu Comprehensive Bonded Zone launched the zone operation management system of "e Zongbao", completed the construction of the station operation assistance system, customs digital large screen display system and other functional platforms; achieving the annual value of imported bulk commodities over RMB 10 billion, promoting the implementation of the new model of "Yiwu-Xinjiang-Europe Cargo Train + comprehensive bonded zone + sea-rail combined transport", and radiating the surrounding manufacturing industry through the "linkage between district and port"; achieving cross-border parcels out of the area over 25.1 million, and introducing 50 cross-border e-commerce platforms. The trend of industrial agglomeration was prominent, and the function of cross-border e-commerce goods

source gathering center gradually emerged. Copying and promoting "cross-border e-commerce retail import return center warehouse mode", Yiwu Comprehensive Bonded Zone broke through the last "kilometer" of cross-border e-commerce returns; introducing "bank + guarantee" mode, developing and implementing separate customs duty payment guarantee products.

2. Self-operated trade

During the reporting period, the Company entered the upstream and downstream of market trade through self-operated trade, gave full play to the Company's platform and brand advantages, linked trade with the market and fed back the market, forming a situation of virtuous and orderly cycle, with a trade revenue nearly RMB 5 billion.

3. Hotel, exhibition and advertisement

In 2022, the hotel sector achieved a revenue of RMB 180 million, bursting with vitality in adversity, with a growth of 41.43% YoY. During the reporting period, the hotel business line was deeply integrated with the chinagoods platform to optimize the full-link experience, develop a unified member marketing platform, build a private domain traffic pool, further promote the unified development and operation of members, and realize the traffic scale effect; it was integrated into the Company's market database, and the hotel community module construction and product launch were completed.

In 2022, the exhibition and advertising sector achieve a revenue of nearly RMB 80 million, showing resilience in adversity. During the reporting period, the exhibition segment completed the shareholding reform and continued to promote capitalization operations. The digitalization of exhibitions was steadily advancing. Focused on the online layout of the four self-organized exhibitions of Hardware Fair, Yiwu Fair, Forest Expo, and Cultural Tourism Fair, core digital applications such as digital marketing, online exhibitions, and smart exhibition halls were built, and traditional exhibition business was transformed into new digital business model.

4. Rent relief

During the reporting period, the Company reduced or exempted about RMB 1 billion in rent for small and micro enterprises or individual industrial and commercial households. In order to fully promote the resumption of work and production of small, medium and micro enterprises and individual industrial and commercial households, the Company reduced or exempted the rent for 6 months in 2022 to the owners of the right to use the house (business space) that is a small and micro enterprise or individual industrial and commercial household, and effectively assumed the social responsibility of state-owned enterprises. These measures effectively reduced the operating costs of individual industrial and commercial households, small, medium and micro

enterprises, unleashed economic vitality, helped small, medium and micro enterprises to strengthen their confidence and overcome difficulties together, promoted the continued prosperity of the market, and protected market entities, employment, and people's livelihood.

(2) Digital trade ecology



1. Chinagoods platform

During the report period, the chinagoods platform, driven by the integration of trade data, met the demands of supply and demand in production, exhibition and trading, warehousing and logistics, financial credit, market management and other links, and built an open and integrated digital trade comprehensive service platform, which is the core carrier for the Company to realize trade digitalization.

In 2022, the chinagoods platform achieved GMV of RMB 35.676 billion for the whole year, an increase of 112% YoY.

2. Industrial digitization

In 2022, the Company's industrial digitalization process was accelerated. The digital free trade application of small commodities won the "Best APP" of Zhejiang digital reform in 2022. The registered purchasers of chinagoods platform exceeded 3.32 million, and more than 2,500 foreign trade companies were linked. In view of the characteristics of scattered orders, LCL declaration, and no-ticket tax exemption in market procurement trade, combined with the "cargo unitizer system", one-click "documentary procurement", "digital cargo examination", "loading and

shipping" and "smart customs declaration" can be realized with chinagoods Caigoubao. The order sheet, packing list, customs declaration form and foreign exchange settlement form are connected in series to form a unique closed-loop information of market procurement trade methods; chinagoods platform logistics, overseas warehouses, supply chain financial services and other functions form a closed loop of logistics; licenses of the Company for payment, factoring, local and foreign currency exchange, and products such as Huokuanbao and Jiehuibao are used to form a closed loop of payment flow and capital flow. "Three Flow Convergence" simplifies trade links, improves trade efficiency, and helps Chinese small commodities go overseas.

3. Payment link was constantly improved

During the reporting period, the Company successfully completed the delivery of payment licenses, the adjustment of the new organizational structure has been filed with the regulatory authorities, and the new management team effectively carried out various tasks. On May 24, 2022, the Company officially launched the promotion and construction of the e-CNY in the International Trade City. By building an e-CNY experience area in the market, launching "million e-CNY red envelopes" activity, etc., combined with the means of "online promotion and offline guidance", the Company integrated chinagoods platform, the import and export company, the market operation company and other sectors to jointly promote e-CNY, and provided 97.3% of the market tenants with e-CNY payment collection services. A total of 60,000 e-CNY wallets were opened, and the cumulative number of transactions was about 21,900, and the cumulative transaction amount exceeded RMB 799 million. The Company obtained the qualification for cross-border RMB business, opened up the "Yiwupay" cross-border RMB payment channel, and completed the first cross-border RMB payment transaction between Yiwu and Saudi Arabia. From August 2022, the Company upgraded the Kuaijietong brand to create a new brand image of "YiwuPay". According to the research and analysis of target users, corporate strategy, Yiwu Market and industry environment, brand positioning, core value extraction, VIS visual system construction, system optimization and upgrading and other related brand work have been completed in an orderly manner. YiwuPay can support cross-border collections in 16 mainstream currencies around the world. At present, it has reached cooperation with more than 400 banks around the world, and its business covers more than 100 countries and regions, providing a compliant, safe and efficient integration for market trade payment solutions, using payment to empower the digital economy, improve the global digital trade service ecosystem, and help the Company's industrial digital development.

4. Digital and intelligent development of contract fulfillment services

During the reporting period, the Company achieved phased results in cooperation projects with COSCO SHIPPING and GLP, and established a joint venture company Zhijie Yuangang. The joint venture company leverages the resource advantages of all parties to create a third-party delivery platform for digital cross-border logistics, integrating into the Company's existing business system, and connecting the upstream and downstream links of small commodity trade, improves the ecology of grouping people, shipping ecology, warehousing ecology, and financial service ecology, etc., changes the "scattered" supply-demand relationship of various participants in traditional foreign trade, and improves trade efficiency. The Company carries out business cooperation extension with the joint venture company in the front-end warehousing link and back-end payment link of the performance of the contract, realizes LCL and export in Yiwu for global goods, improves the level of trade facilitation, forms a new market development driving force in the Yiwu area, and promotes the continuous prosperity of the Yiwu Market.

In the future, the development of contract fulfillment will first be full link integration, followed by the rapid development of digital and intelligent performance services. The value of full-link collaboration contract fulfillment service system will become more and more prominent, and digital intelligent construction is the key to improve the level of full-link collaboration. On the one hand, the joint venture empowers the development of Yiwu's foreign trade, enhances the vitality of market subjects, provides stable shipping capacity and efficient storage resources in China and abroad for Yiwu's foreign trade industry, and stabilizes the cross-border trade of small commodities. On the other hand, various trade services, including trade implementation, are connected and integrated by the joint venture company through digital links to enlarge the overall service functions, so as to reduce trade costs and improve trade facilitation.

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

(1) Industry policies

1. National policies

General Secretary Xi Jinping pointed out in the article "Continuously Strengthening, Optimizing and Expanding China's Digital Economy" published in the second issue of QiuShi magazine in 2022 that the digital economy can promote the rapid flow of various resource elements and accelerate the integration of various market entities, help market entities reconstruct their organizational models, achieve cross-border development, break the constraints of time and space, extend the industrial chain, and smooth domestic and foreign economic cycles.

On February 27, 2023, the Central Committee of the Communist Party of China and the State Council issued the "Overall Layout Plan for the Construction of Digital China", pointing out that the construction of digital China is an important engine for promoting Chinese-style modernization in the digital age and a strong support for building new national competitive advantages.

On March 10, 2023, the first session of the 14th National People's Congress held its third plenary meeting, and voted to pass the decision on the institutional reform plan of the State Council. China established National Data Bureau, and the newly established National Data Bureau is responsible for coordinating and promoting the construction of data basic system, coordinating the integration, sharing, development and utilization of data resources, and promoting the planning and construction of digital China, digital economy and digital society. It is managed by the National Development and Reform Commission. The establishment of National Data Bureau demonstrates the important position of the construction of digital China and the data resource system in the future national development strategy, and it is also a signal that the construction of digital China is accelerating and reaching a new level.

2. Local policies

On February 1, 2023, the Yiwu Municipal Government Work Report stated that "we should fully release the enthusiasm, initiative, and creativity of 900,000 powerful market entities. It is necessary to firmly and resolutely support, develop and prosper the market, seize the "commanding heights" in the small commodity division system, grasp the "right to speak", and lead the global trade fashion. "

Yiwu International Trade City has been in the forefront of the national comprehensive market for many years in terms of market turnover, and has formed the support of industrial clusters in the field of small commodity circulation. As of 2022, the operating area of Yiwu Market reached 6.4 million square meters, with 75,000 physical stores, serving 2.1 million small, medium and micro enterprises upstream and downstream. The Company provides market management, commodity sales and self-operated trade, chinagoods online platform, hotel and exhibition services around the Yiwu Market. 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". 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.

(2) Industry situation

1. 1039 market trade model

In the future, in China's consumption industry, the transformation and improvement of supply chain link are important industry opportunities. China's consumer industry has developed

relatively well on the TO C side, while the circulation mode in the TO B field is still relatively primitive in general. Digital transformation and industrial interconnection transformation will bring greater room for efficiency improvement.

The Company focuses on its main business, continuously promotes the upgrade of online and offline markets, and is expected to lead the upgrading and transformation of the industrial Internet in the field of daily consumption and on the 1039 track. The first is the iteration of the 1039 market trade model, which has been continuously upgraded to reduce the merchant's export declaration process, speed up the approval process, and improve export efficiency. The second is the Company's 1039 platform, which relies on the resources of tens of thousands of physical stores in Yiwu Trade City to realize B2B industrial interconnection, speed up the efficiency of information circulation in the circulation link, and accumulate data to achieve quality and efficiency. The third is the construction of a series of contract fulfillment facilities such as Yiwu International Digital Logistics Market. The investment in these logistics facilities is expected to further improve the contract fulfillment efficiency of merchants in Yiwu Market, and form synergy with chinagoods and other businesses to continue to reduce the cost of daily consumer goods going overseas and continuously strengthen China's competitiveness in daily consumer goods market.

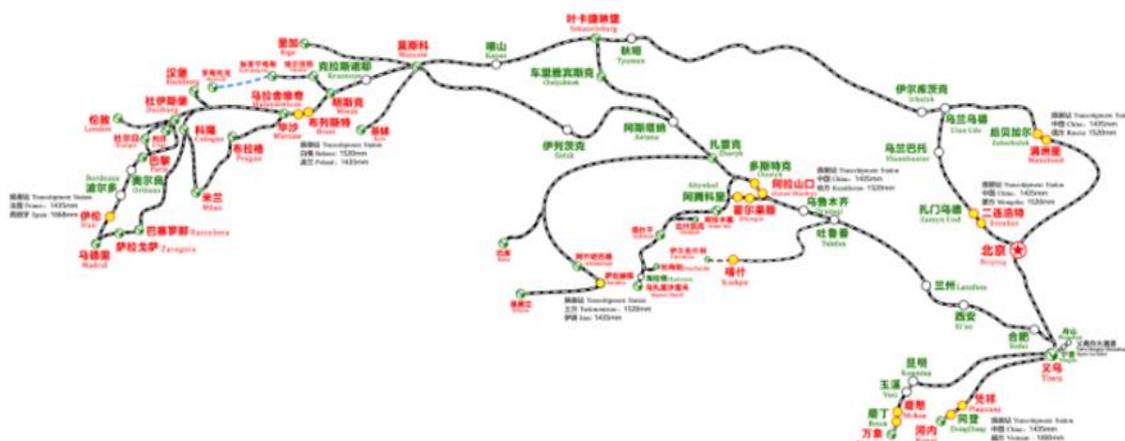
2. Yiwu-Xinjiang-Europe Cargo Train

2023 is the 10th anniversary of the release of the "Belt and Road" initiative. In 2014, the first "Yiwu-Xinjiang-Europe Cargo Train" of China-Europe Railway Express was opened. At present, the "Yiwu-Xinjiang-Europe Cargo Train" of China-Europe Railway Express has opened a total of 19 lines, covering 51 countries and regions and reaching 160 cities. It operates 2,269 trains annually, a 7-fold increase from 2015. The annual transportation volume exceeded RMB 40 billion, a 4-fold increase from 2015. It has become the "Golden Ribbon" of the "Belt and Road" initiative and Sino-Euro communication.



义新欧系列班列运行图 YXE CHINA RAILWAY EXPRESS ROUTES MAP

北半球的金丝带
The Golden Ribbon
across the Northern Hemisphere



铁海联运、义乌—中亚五国（哈萨克斯坦、乌兹别克斯坦、吉尔吉斯斯坦、土库曼斯坦、塔吉克斯坦）、义乌—马德里（西班牙）、义乌—莫斯科（俄罗斯）、义乌—马扎里沙里夫（阿富汗）、义乌—明斯克（白俄罗斯）、义乌—里加（拉脱维亚）、义乌—伦敦（英国）、义乌—布拉格（捷克）、义乌—杜尔日（法国）、义乌—列日（比利时）、义乌—维尔纽斯（立陶宛）、义乌—河内（越南）、义乌—基辅（乌克兰）、中吉乌公铁联运、义乌—加里宁格勒—罗斯托克海铁联运、义乌—万象（老挝）

RAIL-SEA INTERMODAL TRANSPORTATION, YIWU—CENTRAL ASIA (KAZAKHSTAN, UZBEKISTAN, KYRGYZSTAN, TURKMENISTAN, TAJIKISTAN), YIWU—MADRID (SPAIN), YIWU—TEHRAN (IRAN), YIWU—MOSCOW (RUSSIA), YIWU—MAZARISHARIF (AFGHANISTAN), YIWU—MINSK (BELARUS), YIWU—RIGA (LATVIA), YIWU—LONDON (UNITED KINGDOM), YIWU—PRAGUE (CZECH), YIWU—DOURGES (FRANCE), YIWU—LIEGE (BELGIUM), YIWU—VILNIUS (LITHUANIA), YIWU—HANOI (VIETNAM), YIWU—KYIV (UKRAINE), CHINA—KYRGYZSTAN—UZBEKISTAN HIGHWAY—RAILWAY COMBINED TRANSPORT, YIWU—KALININGRAD—ROSTOCK RAIL—SEA INTERMODAL TRANSPORT, YIWU—VIENTIANE (LAOS)

Based on the import and export of small commodities in Yiwu, "Yiwu-Xinjiang-Europe Cargo Train" develops the upstream and downstream of the logistics industry chain, drives the upgrading of surrounding industries, fully integrates with the development of the digital economy, and brings extensive development room for the Company's offline market, logistics contract fulfillment, import trade, online chinagoods platform, and payment business.

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) and "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 of which the Company is responsible for operation include Districts 1 to 5 of the International Trade City, Importing Market, First District East Expansion Market, Huangyuan Market and International Production Goods Market.

2. Online trading 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 2.1 million 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 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 report on operation of the postal industry in 2022 released by the State Post Bureau, the express delivery business volume of Yiwu ranked second in China in 2022.

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, Jiaxing, Taihu, Shaoxing, Ningbo, Wenzhou and Taizhou with an area of nearly 10,000 km² 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) Advantages of diversified businesses

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 advantages

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) Advantages 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 2.1 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) Advantages of international logistics

The Company's Zhijie Yuangang 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

During the reporting period, the main operating status of the Company are as follows:

(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	7,619,693,742.60	6,033,842,972.95	26.28
Operating cost	6,452,909,829.96	4,027,543,138.56	60.22
Sales expenses	197,679,981.09	204,745,974.57	-3.45
Administrative expenses	529,466,270.71	453,543,427.80	16.74
Financial expenses	149,148,889.80	179,911,613.70	-17.10
R&D expenses	17,377,161.88	10,308,801.84	68.57

Net cash flow from operating activities	1,400,090,713.77	2,033,082,507.76	-31.13
Net cash flow from investing activities	-2,362,698,917.70	1,650,766,978.93	-243.13
Net cash flow from financing activities	-1,057,216,958.11	-1,701,935,200.78	NA

Reasons for the change in operating cost: the Company's operating cost increased by 60.22% 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 increased 68.57% YoY, mainly due to the increase in expensed R&D investment during the current period.

Reasons for changes in net cash flow from operating activities: mainly due to a year-on-year decrease of RMB 916 million in net cash received and paid for sales of goods and provision of labor services in the current period, and a year-on-year increase of RMB 319 million yuan in tax refunds received.

Reasons for the change in net cash flow from investment activities: mainly due to a year-on-year increase of RMB 1.598 billion in net investment outflows in the current period, a year-on-year increase of RMB 2.072 billion in cash paid for the purchase and construction of long-term assets such as fixed assets, and a year-on-year increase of RMB 313 million in cash paid for acquiring subsidiaries.

Explanation for the change in the net cash flow from financing activities: mainly due to an decrease of RMB 670 million YoY in the net inflow of financing in the current period.

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 2022, the Company's operating revenue was RMB 7.620 billion, an increase of RMB1.586 billion YoY, and the Company's operating cost was RMB 6.453 billion, an increase of 2.425 billion YoY.

(1). Main business by industry

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	169,702.11	96,207.40	43.31	-29.19	10.95	Down 20.51 ppt
Sales of goods	494,929.78	493,522.41	0.28	90.85	90.79	Up 0.03 ppt
Hotel service	18,026.31	15,422.06	14.45	41.43	15.30	Up 19.40 ppt
Exhibition and advertising	7,997.62	6,255.16	21.79	-33.10	-49.13	Up 24.65 ppt
Other services	42,022.21	22,162.70	47.26	20.30	38.27	Down 6.86 ppt
Sub-total	732,678.03	633,569.73	13.53	31.16	63.68	Down 17.18 ppt

Description of main business by industry

1. Revenue and cost of product sales increased by 90.85% and 90.79% YoY respectively, mainly due to the large year-on-year increase in commodity sales in the current period.
2. The hotel service revenue increased by 41.43% YoY, mainly due to the year-on-year increase in hotel occupancy rate.
3. Revenues and costs of exhibition and advertisement decreased by 33.10% and 49.13% YoY respectively, mainly due to the year-on-year decrease in the number of exhibitions undertaken.
4. The costs of other services increased by 31.16% YoY, mainly due to the increase in shipping agency costs due to the increase in business volume of Huanqiu Yida in the current period.

(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

Situation 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 Description of
Market operation	Depreciation and amortization	43,737.99	6.90	46,031.98	11.89	-4.98	
Market operation	Wages and benefits	7,693.99	1.21	22,111.44	5.71	-65.20	Mainly due to the outsourcing of basic property services such as security for the markets, which resulted in the decrease in direct employment
Market operation	Other costs	44,775.42	7.07	18,570.54	4.80	141.11	Mainly due to the outsourcing of basic property services such as security for the markets
Sales of goods	Cost of product sales	493,522.41	77.90	258,667.18	66.82	90.79	Mainly due to the increase in product sales
Hotel service	Depreciation and amortization	3,730.53	0.59	2,432.99	0.63	53.33	
Hotel service	Cost of food and beverage raw materials	5,539.34	0.87	4,356.83	1.13	27.14	
Hotel service	Wages and benefits	3,154.74	0.50	4,216.87	1.09	-25.19	
Hotel service	Material and fuel consumption	1,116.72	0.18	759.03	0.20	47.12	
Hotel service	Other costs	1,880.73	0.30	1,610.40	0.41	16.79	
Exhibition and advertising	Depreciation and amortization	1,456.27	0.23	4,167.15	1.08	-65.05	
Exhibition and advertising	Exhibition and advertising cost	4,486.46	0.71	6,311.12	1.63	-28.91	

Exhibition and advertising	Other costs	312.43	0.05	1,817.79	0.47	-82.81	
Other services	Property management cost	3,239.75	0.51	2,318.52	0.60	39.73	
Other services	Network transformation and service	5,881.42	0.93	7,542.35	1.95	-22.02	
Other services	Other costs	13,041.53	2.05	6,167.27	1.59	111.46	Mainly due to the increase in shipping agency costs
Total		633,569.73	100.00	387,081.46	100.00	63.68	

Explanation on cost analysis and other information

Nil

(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

Applicable Not applicable

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

Applicable Not applicable

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

Nil

3. Costs

Applicable Not applicable

Unit: RMB10,000

Item	2022	2021	YoY change amount	Change / %	Explanation on changes
Sales expenses	19,768.00	20,474.60	-706.60	-3.45	
Administrative expenses	52,946.63	45,354.34	7,592.29	16.74	
R&D expenses	1,737.72	1,030.88	706.84	68.57	Due to the increase in expensed R&D investment
Financial expenses	14,914.89	17,991.16	-3,076.27	-17.10	
Income tax expenses	4,620.57	32,752.52	-28,131.95	-85.89	Due to the decrease in taxable income

Unit: RMB10,000

Item	2022	2021	YoY change amount	Change / %
Staff expenses and work clothes	31,721.94	32,636.89	-914.95	-2.80
Advertising expenses	3,174.30	4,564.90	-1,390.60	-30.46
Security and insurance costs	3,384.43	3,830.60	-446.17	-11.65
R&D expenses	1,737.72	1,030.88	706.84	68.57
Depreciation and amortization	11,406.51	3,869.35	7,537.16	194.79
Promotion and investment promotion	9,221.94	12,124.46	-2,902.52	-23.94
Intermediary expenses	1,913.78	2,348.08	-434.30	-18.50
Office expenses	1,411.89	1,761.61	-349.72	-19.85
Water, electricity and fuel consumption	695.33	135.19	560.14	414.34
Start-up fee	4,089.58	-	4,089.58	-
Other expenses	5,694.93	4,557.86	1,137.07	24.95
Subtotal of management, R&D and sales expenses	74,452.35	66,859.82	7,592.53	11.36

1. The reason for the year-on-year increase in depreciation and amortization: mainly due to Yindu Yayue Hotel's being put into operation and the year-on-year increase in depreciation and amortization of the newly added warehouse and logistics park project land in northeast of Yiwu during the current period.

4. R&D Investment

(1). Table of R&D investment status

√Applicable □Not applicable

Unit: RMB10,000

Expended R&D investment in this period	1,737.72
Capitalized R&D investment in this period	3,192.12
Total R&D investment	4,929.84
Total R&D investment as a percentage of operating income (%)	0.65
Proportion of capitalization of R&D investment (%)	64.75

(2). Table of R&D personnel status√Applicable Not applicable

Number of R&D personnel	182
Number of R&D personnel as a percentage of the Company's total personnel number (%)	5.64
Education level of R&D personnel	
Education level	People at this education level
Doctor's degree	3
Master's degree	6
Bachelor's degree	126
College graduates	46
High school graduate and below	1
Age of R&D personnel	
Age range	People in this age range
Below 30 (30 excluded)	72
30-40 (30 included, 40 excluded)	96
40-50 (40 included, 50 excluded)	14

(3). Reasons for changeApplicable √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	2022	2021	YoY change
Net cash flow (used)/generated from operating activities	140,009.07	203,308.25	-63,299.18
Net cash flow (used)/generated from investing activities	-236,269.89	165,076.70	-401,346.59
Net cash flow (used)/generated from financing activities	-105,721.70	-170,193.52	64,471.82
(Decrease)/increase in cash and cash equivalents	-202,526.74	197,382.55	-399,909.29

1. The net cash flow from operating activities in 2022 decreased by RMB 633 million YoY. Mainly due to a year-on-year decrease of RMB 916 million in net cash received and paid for sales of goods and provision of labor services in the current period, and a year-on-year increase of RMB 319 million yuan in tax refunds received.

2. The net cash flow from investment activities in 2022 decreased by RMB 4.013 billion YoY. Mainly due to a year-on-year increase of RMB 1.598 billion in net investment outflows in the current period, a year-on-year increase of RMB 2.072 billion in cash paid for the purchase and construction of long-term assets such as fixed assets, and a year-on-year increase of RMB 313 million in cash paid for acquiring subsidiaries.

3. The net cash flow from financing activities in 2022 increased by RMB 645 million YoY. Mainly due to an decrease of RMB 670 million YoY in the net inflow of financing during the current period.

(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	Amount at the end of the current period	% of total assets at the end of the current period	Closing balance in the prior corresponding period	Closing balance as a percentage of total assets in the prior corresponding period (%)	Percentage change of the closing balance of the current period compared with the prior corresponding period (%)	Reasons for change
Total assets	3,211,100.43	100.00	3,101,463.55	100.00	3.54	
Cash and cash equivalents	199,129.90	6.20	483,146.84	15.58	-58.78	
Held-for-trading financial assets	6,233.10	0.19	7,537.51	0.24	-17.31	
Accounts receivable	21,075.07	0.66	18,523.75	0.60	13.77	
Prepayments	60,605.70	1.89	87,516.77	2.82	-30.75	Mainly due to the decrease in advance payment
Other receivables	41,939.81	1.31	135,592.43	4.37	-69.07	Mainly due to recovering of financial assistance during the current period
Inventory	133,035.12	4.14	132,740.26	4.28	0.22	
Other current assets	63,421.00	1.98	24,866.22	0.80	155.05	Mainly due to the newly added payment business reserve fund during the current period
Debt investments	4,807.96	0.15	-	-	NA	
Long-term receivables	27,829.96	0.87	22,230.74	0.72	25.19	
Long-term equity investment	603,347.29	18.79	577,245.52	18.61	4.52	
Other equity instruments investment	49,920.08	1.55	64,218.80	2.07	-22.27	
Other non-current financial assets	150,030.76	4.67	152,481.93	4.92	-1.61	
Property investment	285,164.32	8.88	297,393.64	9.59	-4.11	
Fixed assets	522,088.28	16.26	507,859.09	16.37	2.80	
Construction in progress	286,006.48	8.91	109,057.80	3.52	162.25	Mainly due to the payment for construction projects such as comprehensive protection zones
Right-of-use assets	21,770.29	0.68	22,534.71	0.73	-3.39	
Intangible assets	646,184.97	20.12	404,356.46	13.04	59.81	Mainly due to land purchase during the current period
Development expenses	466.10	0.01	635.98	0.02	-26.71	
Goodwill	28,491.64	0.89	-	-	-	
Long-term prepaid	30,692.60	0.96	18,818.44	0.61	63.10	Mainly due to the completion and transfer-in of Yindu Yayue during the current period

expenses						
Deferred income tax assets	15,034.68	0.47	13,573.70	0.44	10.76	
Other non-current assets	13,825.33	0.43	21,132.96	0.68	-34.58	Mainly due to the transfer-out of the prepaid equity transfer consideration
Total liabilities	1,682,990.80	52.41	1,638,379.34	52.83	2.72	
Short-term borrowings	105,928.74	3.30	94,273.61	3.04	12.36	
Accounts payable	119,131.44	3.71	49,336.04	1.59	141.47	Mainly due to the increase in payables for the market and supporting projects
Advances from customers	88,599.33	2.76	15,356.63	0.50	476.95	Mainly due to the new payment received in advance from merchants during the current period
Contract liabilities	399,103.80	12.43	405,841.92	13.09	-1.66	
Payroll payable	18,313.53	0.57	24,396.48	0.79	-24.93	
Tax payable	21,499.84	0.67	55,949.65	1.80	-61.57	Mainly due to the decrease in corporate income tax payable
Other payables	132,559.61	4.13	190,874.28	6.15	-30.55	Mainly due to the increase of investment allocation to be confirmed
Non-current liabilities due within one year	8,685.23	0.27	366,424.19	11.81	-97.63	Mainly due to repayment of bonds due within one year
Other current liabilities	347,390.70	10.82	308,138.48	9.94	12.74	
Long-term borrowings	40,450.00	1.26	77,125.00	2.49	-47.55	Mainly due to early repayment of long-term loans
Bonds payable	349,741.68	10.90	-	-	N/A	Mainly due to the new issuance of medium-term notes and corporate bonds during the current period
Lease liabilities	20,662.37	0.64	20,594.27	0.66	0.33	
Estimated liabilities	11,062.03	0.34	11,062.03	0.36	-	
Deferred income	10,358.21	0.32	7,817.01	0.25	32.51	Mainly due to receiving the start-work reward of the Comprehensive Bonded Zone
Deferred income tax liabilities	9,504.27	0.31	11,189.75	0.36	-15.06	

Other statements

Nil

2. Overseas assets

Applicable Not applicable

(1) Scale of assets

Among them: offshore assets was RMB 520 million, accounting for 1.62% 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

Item	Unit: RMB	
	2022	2021
Cash and cash equivalents	10,098,029.66	60.78
Long-term equity investment	102,918,559.00	102,918,559.00
Other non-current financial assets	621,447,424.37	636,870,392.09
Other current assets	367,484,914.87	-
Total	1,101,948,927.90	739,789,011.87

Note 1. As of December 31, 2022, bank deposits with a book value of RMB 60.97 (December 31, 2021: RMB 60.78) were restricted for ownership or use rights due to being as security deposits for obtaining commercial housing mortgage loan. As of December 31, 2022, bank deposits with a book value of RMB 7,220,000.00 (December 31, 2021: RMB 0.00) were used as a performance guarantee for civil air defense projects under construction. As of December 31, 2022, bank deposits with a book value of RMB 2,877,968.69 (December 31, 2021: RMB 0.00) were used as fast payment business risk deposits with restricted ownership or use rights.

2. As of December 31, 2022, long-term equity investments with a book value of RMB 102,918,559.00 (December 31, 2021: RMB 102,918,559.00) and other non-current assets of RMB 621,447,424.37 (December 31, 2021: RMB 636,870,392.09) were frozen by Shanghai Municipal Public Security Bureau.

3. As of December 31, 2022, the payment business reserve fund with a book value of RMB 367,484,914.87 was established by the Company in accordance with the "Administrative Measures for Payment Services of Non-financial Institutions" and "Measures for the Custody of Customer Reserve Funds of Payment Institutions" Bank special deposit account. The scope of funds stored and received by the Company through the customer reserve account includes: funds received from bank card acquiring business, third-party payment convenience service business, credit card repayment business, credit payment settlement business, and other part of the Company's business.

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 2022, the external investment amounted to RMB 8,095,312,300 (including RMB 62,331,000 for financial assets held for trading, RMB 6,033,472,900 for long-term equity investment, RMB 499,200,800 for investment in other equity instruments, RMB 1,500,307,600 for other non-current financial assets), a increase of RMB 80,474,700 or 1.00%, from RMB 8,014,837,600 (including RMB 75,375,100 for financial assets held for trading, RMB 5,772,455,200 for long-term equity investment, RMB 642,188,000 for investment in other equity instruments, RMB 1,524,819,300 for other non-current financial assets) at the end of the previous year. The main changes were as follows:

I. Trading financial assets during the reporting period decreased by RMB 13.0441 million from the end of the previous year, mainly due to the increase in bank wealth management of RMB 13.6794 million, the sale of part of the equity of Orient International Venture Co., Ltd. and the decrease of RMB 26.7235 million from fair value changes.

II. Long-term equity investment during the reporting period increased by RMB 261.0177 million from the end of the previous year, mainly due to:

1. The net increase of RMB 138,260,500 in investment cost. The investment principal increased by RMB 168.9705 million, including: RMB 150 million for Zhejiang Zhijie Yuangang International Supply Chain Technology Co., Ltd., 18.1455 million for JEBEL ALI FREE ZONE TRADER MARKET DEVELOPMENT AND OPERATION FZCO, RMB 625,000 for Zhejiang Yixinou Supply Chain Management Co., Ltd., and RMB 200,000 for Yiwu Heimahui Enterprise Service Co., Ltd.; recovered investment principal of RMB 30.71 million, of which RMB 24.5 million was recovered from Hangzhou Binjiang Shangbo Real Estate Development Co., Ltd. and RMB 6.21 million from Yiwu Huishang Microfinance Co., Ltd.

2. A net increase of RMB 122,757,200 was recorded in the accrued income by equity method. Among it, the investment income and other equity changes accrued during the reporting period were RMB 1,000.1689 million; the dividends received were RMB 877.4117 million, including RMB 580.8656 million from Rongshang Real Estate, RMB 194.4768 million from Chuangcheng Real Estate, RMB 88.2 million from Pujiang Lvgu, and RMB 13.8693 million from Hangzhou Binjiang Shangbo Real Estate Development Co., Ltd.

III. During the reporting period, the investment in other equity instruments decreased by RMB 142.9872 million from the end of the previous year, due to the change in fair value of Shenwan Hongyuan Group Co., Ltd. during the reporting period.

IV. During the reporting period, other non-current financial assets decreased by RMB 24.5117 million from the end of the previous year, mainly due to the addition of RMB 60 million for Suzhou Xiangzhong Venture Capital Partnership (Limited Partnership) and the recovery of investment funds of RMB 59.2535 million from Nantong Zijing Huatong Equity Investment Partnership (Limited Partnership) and other enterprises, RMB 23.8819 million for the disposal of Yiwu Shanfeng Investment Partnership, and RMB -1.3763 million from changes in the fair value of other non-current financial assets.

1. Major equity investments

√Applicable □Not applicable

Unit: RMB10,000

Invested company name	Main business	Whether the target is mainly engaged in investment businesses	Investment method	Investment amount	Shareholding Scale	Whether to consolidate	Statement subject (if applicable)	Source of funds	Partner Remarks (if applicable)	Investment period (if any)	Progress as of balance sheet date	Estimated earnings (if any)	Impact on current profit and loss	Whether involved in litigation	Disclosure date (if any)	Disclosure index (if any)
Zhejiang Xunchi Digital Technology Co., Ltd.	Value-added Telecom Services	No	Acquisition	44,430.00	100%	Yes	NA	Self-owned Fund sources	NA	NA	Acquisition completed		682.22	No	Jun 25, 2022 Dec 04, 2021	Nil
Zhejiang Zhijie Yuangang International Supply Chain Technology Co., Ltd.	International cargo transportation agency by sea; International cargo transportation agency by air; International cargo transportation agency by land; Domestic cargo transportation agency, etc.	No	Newly established	15,000.00	27%	No	Long-term equity investment	Self-owned Fund sources	COSCO SHIPPING Logistics Supply Chain Co., Ltd., ProLogis Investment (Shanghai) Co., Ltd.	NA	Contribution of capital completed		-443.66	No	Aug 24, 2022	Nil
Suzhou Xiangzhong Venture Capital Partnership (Limited Partnership)	Venture capital (limited to investment in unlisted enterprises); Equity investment	Yes	Others	6,000.00	12.37%	No	Other non-current financial assets	Self-owned Fund sources	Taicang Weizhong Investment Management Co., Ltd., etc.	NA	Cumulative contribution of capital RMB 100 million		697.30	No	Feb 10, 2021 Nov 19, 2020 Nov 18, 2020	Nil

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	No	Others	1,814.55	30%	No	Long-term equity investment	Self-owned Fund sources	Jebel Ali Free Zone FZE	NA	Cumulative contribution of capital RMB 91.6483 million	-2,508.37	No	Aug 23, 2019	Nil	
Total	/	/	/	67,244.55	/	/	/	/	/	/	/	/	-1,572.51	/	/	/

2. Major non-equity investments

√Applicable □Not applicable

Unit: RMB10,000

Item	Project amount	Progress	Investment during current period Amount	Cumulative actual investment amount
The Yiwu Comprehensive Bonded Zone Project	624,250.00	International Trade Digitalization Industry Project in the Comprehensive Bonded Zone: The project has been basically completed, and the initial inspection of the completion has been completed. Comprehensive Bonded Zone bonded processing park project: 95% of the overall project of the north project of Zone A has been completed, and the main structure of the south project of area A has been completed. The new import market project in the Comprehensive Bonded Zone: the general contracting construction in the south area, the bidding of the landscape project has been completed, and 70% of the overall project has been completed in the north area.	149,648.20	290,570.05
Logistics Park S2	108,000.00	40% of the main structure has been completed, with partial structure completed.	23,533.90	23,533.90
Logistics Park S3	132,000.00	55% of the main structure is completed, with partial structure completed.	30,400.05	30,400.05
Yiwu Digital Trade Industrial Park	39,579.00	The curtain walls below the 12th floor of the main building and the podium have been basically completed.	9,807.99	15,815.07
Yiwu International Digital Logistics Market	113,600.00	About 80% of the foundation works have been completed, among which the construction of hole piles has been completed, and the main structure of the first floor of the comprehensive building has been completed.	11,602.24	11,602.24

3. Financial assets measured with fair value

√Applicable □Not applicable

Unit: RMB10,000

Category of assets	Opening balance	Current fair value Profit and loss from changes	Cumulative fair value changes included in equity	Current provision for impairment	Current purchase amount	Sale/redemption amount in current period	Other changes	Closing balance
Held-for-trading financial assets	7,537.51	-388.62	-	-	1,358.84	2,238.50	-36.13	6,233.10
Other equity instruments investment	64,218.80	-	-4,081.85	-	-	-	-1,360.61	49,920.08
Other non-current financial assets	152,481.93	-137.63	-	-	6,000.00	2,600.00	-5,713.54	150,030.76
Total	224,238.24	-526.25	-4,081.85	-	7,358.84	4,838.50	-7,110.28	206,183.94

Securities investment

√Applicable □Not applicable

Unit: RMB10,000

Securities	Security code	Security abbreviation	Initial investment cost	Source of funds	Opening book value	Profit and loss from changes in fair value in the current period	Cumulative fair value changes included in equity	Current purchase amount	Sales amount in current period	Profit and loss from investment in current period	Closing book value	Accounting item
Stocks	/	New shares	0.15	Self-owned funds	0.15	-	-	6.90	7.05	4.77	-	Held-for-trading financial assets

Stocks	000166	Shenwan Hongyuan	55,362.54	Self-owned funds	64,218.80	-	-	4,081.85	-	-	1,254.27	49,920.08	Other equity instruments investment
Stocks	600278	Oriental Venture	5,000.00	Self-owned funds	5,037.36	-440.74	-	-	-	2,231.46	224.20	2,365.16	Held-for-trading financial assets
Stocks	833979	Tiantu Investment	15,519.21	Self-owned funds	4,788.21	-14.24	-	-	-	-	-	4,773.97	Other non-current financial assets
Total	/	/	75,881.90	/	74,044.52	-454.98	-	4,081.85	6.90	2,238.51	1,483.24	57,059.21	/

PE investment

Applicable Not applicable

The book value of private equity fund investment at the end of the reporting period was RMB 1,242,537,400, a decrease of RMB 20,792,400 from RMB 1,263,329,800 at the end of the previous year, mainly due to the addition of RMB 60 million for Suzhou Xiangzhong Venture Capital Partnership (Limited Partnership) in this period, and the recovery of investment funds of RMB 59,253,500 from Nantong Zijing Huatong Equity Investment (Limited Partnership) and other enterprises, and RMB 23,882,000 from the disposal of Yiwu Shanfeng Investment Partnership, and RMB 2,343,100 from changes in fair value.

Derivatives investment

Applicable Not applicable

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 China Commodities City Financial Holdings Co., Ltd.	Enterprise free capital investment, asset management, investment consulting services, investment management services	400,000.00	277,988.36	262,334.19	9,992.71
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	202,183.91	-94,839.74	-8,909.95
Yiwu Shangbo (former name: Yiwu Shangbo Real Estate Co., Ltd.)	Enterprise management; property management, etc.	30,000.00	83,451.20	32,388.29	-2,011.02
Yiwu Commodities City Gonglian Property Co., Ltd.	Real estate development and sale	20,000.00	16,041.83	15,775.03	-94.38
Kuajijetong Payment Service Co., Ltd.	Internet payment service	18,000.00	56,350.88	13,616.08	1,000.95
Yiwu Xingchen Enterprise Management Co., Ltd. (former name: Yiwu China Commodities City Payment Network Technology Co., Ltd.)	R&D of computer and multimedia software	15,000.00	12,085.47	12,058.39	-23.40
Yiwu China Commodities City Import and Export Co., Ltd.	Domestic trade and international trade	10,000.00	87,816.70	5,775.63	3,291.02
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	36,817.66	12,293.54	110.22
Yiwu China Commodities City Supply Chain Management Co., Ltd.	Supply chain management service	10,000.00	20,426.92	6,809.85	842.41
Zhejiang Yiwugou E-commerce Co., Ltd.	Computer software, multimedia technologies, computer network and application, and wholesale & retail	10,000.00	14,796.68	10,353.29	1,206.88
Yiwu China Commodities City Property Development Co., Ltd.	Real estate development and sale	500,000.00	1,795,280.05	618,851.71	43,105.17
Yiwu Hongyi Equity Investment Fund Partnership (limited partnership)	Investment management, equity investment, asset management and investment consulting	200,100.00	189,307.30	189,217.42	10,670.77
Zhejiang Chouzhou Financial Lease Co., Ltd.	Financial lease service, and transfer of financial lease assets	100,000.00	1,682,685.53	188,155.98	24,301.81

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	135,614.42	84,156.82	2,618.68
Pujiang Lvgu Property Co., Ltd.	Real estate development and sale	70,000.00	122,095.85	76,449.22	2,642.70
Zhejiang Zhijie Yuangang International Supply Chain Technology Co., Ltd.	International cargo transportation agency by sea; international cargo transportation agency by air; international cargo transportation agency by land; domestic cargo transportation agency; domestic shipping agency; general cargo warehousing services, etc.	55,556.00	46,032.53	43,669.03	-1,330.97
Yiwu Rongshang Real Estate Co., Ltd.	Real estate development and sale	10,204.08	13,547.12	13,398.14	87,577.34
Yiwu Chuangcheng Real Estate Co., Ltd.	Real estate development and sale	8,333.33	47,540.47	11,853.87	56,192.82
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	1,254,543.18	15,457.16	10,525.21

(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

From a macro perspective, the world economy is expected to stabilize and recover, the global supply chain is still resilient, and the digital economy and digital trade will lead future development. As the initial organizational form of the digital economy, the platform model is a hallmark feature of the current competition in the digital economy. Jumping out of the traditional model and innovating the trading platform is an important starting point for the internationalization and intelligentization of the small commodity market. Through big data mining, algorithm and computing power, the digital platform can efficiently organize resource elements, force production companies and trading companies to upgrade, accurately connect with the market, reduce trade costs for both parties, and form a sustainable buyer-supplier interaction relationship. By building a new digital platform, the Company creates and consolidates the market's position as an order center, settlement center, exhibition center, and R&D center, expands the brand and physical positions of logistics centers and information centers, and promotes domestic-international dual cycles. It is the current goal of Yiwu Market to make a good plan for platform construction, build Yiwu's business service system centered on the platform, build the world's small commodity trading ecosystem, and build the whole chain of information and financial support from research and development of new products to inventory clearance.

The Company's sixth-generation market, with the new import market as the core symbol, realizes the integration of "export, import and re-export"; online and offline integration, "cloud-network-terminal" digital linkage; promotes standards and design to enter the market, and moves towards the high end of the value chain; integrates "market + manufacturing", strengthen support for industrial belts and industrial digitalization.

(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. As the builder and service provider of Yiwu Market, the Company shoulders the historical mission of building the world's "Small Commodity Capital" with high quality and high level. The Company puts forward the development strategy of "taking the market as the main business, taking the digital as the link, taking the platform as the support, building an international trade comprehensive service provider".

With the goal of building the world's "Small Commodity Capital" with high quality and high standards, focusing on the main market business, promoting various resource elements to

concentrate in the main business, opening up all links of the domestic and foreign trade supply chain through vigorously developing digital trade, and continuously enhancing and upgrading the core competitiveness to empower the small commodity industry chain and ecosystem, promoting the transformation of the physical market into a global trade service platform for small, medium and micro enterprises, and the transformation of the Company from a market manager to a comprehensive trade service provider.

(iii) Business plan

√Applicable Not applicable

2023 is the 30th anniversary of the Company, which is of great significance.

In the past 30 years, generations of employees of company the have overcome difficulties and forged ahead, creating leading enterprises in the field of commerce and trade in the country; batches of entrepreneurs have continued to struggle with their original intentions, and have achieved the world's largest small commodity wholesale market. Over the past 30 years, the employees of company have unswervingly created a new world. Today, 30 years later, the employees of company are standing at a new starting point. The Company encourages all cadres and employees to concentrate, boost their energy, and forge ahead in unity, so as to promote various tasks to a new level!



1. Overall business objectives

Business plan goals of 2023: based on 2019 performance, operating revenue growth rate shall be not less than 180%; earnings per share shall be not less than RMB 0.25; 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, shall be not less than RMB 50 billion.

2. Promoting market digital reform

(1) Promoting digital reform of the market and innovatively developing the digital market

Promote the digitalization of all elements of the "people, goods, and market" market in an integrated manner, build a new market trade scene with online and offline integration, and "cloud, internet, and terminal" linkage, and build a digital market model in the east of the second district of the International Trade City.

(2) Improve the digitization of "people"

Fully tap the value of buyers' data, attract accurate customer groups through digital management tools, empower business customers' business growth and value upgrades, and provide full life cycle services for business customers and full life cycle management for buyers.

(3) Improve the digitalization of "goods"

Create a "good goods in a package" digital supply chain system to support the growth of domestic trade, foreign trade, and e-commerce.

(4) Improve the digitization of the "market"

Build two application scenarios of digital service and digital operation and maintenance, realize intelligent market service, market operation, and property management, multi-span collaboration, efficient connection, and data fusion in diversified trade scenarios, and provide the "Yiwu Solution" for the transformation of traditional commodity trading markets.

3. Promoting trade digitalization reform

(1) Promoting the reform of trade digitalization and iteratively upgrading the digital trade ecology

Accelerate the promotion of digitalization to lead the reconstruction of the supply chain system, and accelerate the formation of a full-link contract fulfillment service closed loop through the digitization of information flow, goods flow, and payment flow in all links of trade, so as to reduce costs and increase efficiency of small, medium and micro trade entities and empower them.

(2) Upgrading chinagoods platform

Focusing on the promotion and application of the core product Caigoubao and the quality improvement and expansion of the Caigoubao industrial belt, expand functions such as digital marketing, traffic empowerment, and order matching, and improve the one-stop digital trade service of "customs, exchange and tax, transportation, warehousing and financing" to help the upgrade of market procurement trade to better facilitate the free and convenient participation of small, medium and micro entities in international trade.

(3) Strengthening digital settlement empowerment

Build and improve the "Yiwu Pay" brand, take advantage of the integration of third-party payment licenses and market trade scenarios, continue to expand the scale of domestic payment and cross-border RMB payment business, actively apply for cross-border foreign exchange qualifications, and form a closed loop of capital flow and information flow for mass trade of small commodities. Explore e-CNY payment for cross-border trade, cooperate with major banks to pilot digital renminbi cross-border payment applications, create a benchmark for digital renminbi domestic and overseas, online and offline full-scenario applications, and expand digital logistics channels.

(4) Building an international logistics network system

It is necessary to deepen cooperation with COSCO SHIPPING and ProLogis, and strengthen the operation of the joint venture Zhijie Yuangang. Build an international logistics network system and use the international logistics market as a platform to ensure the stability of the international trade supply chain of small, medium and micro enterprises. Improve the intelligence level of the logistics supply chain, apply advanced digital supply chain technology, independently develop order, transportation, and warehouse management systems, and realize intelligent collaboration of cross-border supply chain resources. Build a digital cross-border logistics service platform, and build a digital international logistics consignment system that connects the whole China and the world.

(5) Expanding overseas network

Accelerate the digital construction of Yiwu overseas warehouses, comprehensively innovate the operation mode of traditional overseas warehouses, build a digital and intelligent operation management platform for overseas warehouses, establish standardized, scenario-based, and automated operation scenarios, and improve the coverage and facilitation of international trade contract fulfillment services, to provide strong support for the global circulation of goods made in China. It is necessary to increase the layout of overseas projects in key trading countries and regions such as the Middle East, Africa, and RCEP countries for the Yiwu Market, so as to realize the advancement of the Yiwu Market and drive Yiwu's products to go overseas on their own initiative.

(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 from 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. External uncertainty. International political conflicts have caused increased uncertainty in international trade, and the development of global market trade is more complicated and severe

than before; new technologies are accelerating to breed new opportunities, and new trade models and new formats are constantly emerging.

(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 reporting period, in strict accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Governance for Listed Companies and the relevant laws and regulations of China Securities Regulatory Commission and Shanghai Stock Exchange, the Company has continuously established and improved relevant systems, endeavoured to improve the corporate governance structure, and conduct standardized and lawful operation. There is no difference between the actual status of the Company's legal person governance structure and the normative documents related to the governance of the listed company.

(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 of Listed Companies to ensure that all shareholders of the Company fully exercise their rights, especially those of small and medium shareholders. In peacetime, the Company earnestly receives 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 shareholders 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 shareholders, it strictly follows the relevant laws and regulations to ensure that the connected transactions are fair, just and equitable.

(III) Directors and Board of Directors

The Company selects directors in strict accordance with the procedures stipulated in the "Articles of Association", and convenes and holds board meetings in strict accordance with the "Code of Corporate Governance for Listed Companies". All directors of the Company can conscientiously attend the board of directors and shareholders' meetings, actively participate in training, and conscientiously perform their duties as directors. The three independent directors can conscientiously perform the duties and obligations entrusted by laws, regulations and the Company's articles of association, express independent opinions and suggestions on important

matters of the Company, and effectively protect the legitimate rights and interests of shareholders.

(IV) Supervisors and Board of Supervisors

During the reporting period, the Company held eight meetings of Board of Supervisors meetings, and the convening and holding procedures of the previous meetings complied with relevant laws and regulations. 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

The Company disclosed relevant information in a true, accurate, complete and timely manner in accordance with the "Administrative Measures for Information Disclosure of Listed Companies". Investors can learn about the Company's situation through media publicity and telephone consultation. In addition to completing mandatory regular reports and disclosure of temporary announcements, the Company proactively conducts compliant and voluntary information disclosure, allowing investors to have a continuous understanding of the business conditions they care about, and truly protecting 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
Resolution of the first provisional general meeting of shareholders in 2022	Mar 10, 2022	www.sse.com.cn	Mar 11, 2022	See the resolution notice for details

2021 Annual General Meeting of Shareholders	April 13, 2022	www.sse.com.cn	April 14, 2022	See the resolution notice for details
The second provisional general meeting of shareholders in 2022	Nov 8, 2022	www.sse.com.cn	Nov 9, 2022	See the resolution notice for details
The third provisional general meeting of shareholders in 2022	Nov 29, 2022	www.sse.com.cn	Nov 30, 2022	See the resolution notice for details

The preferred shareholders whose voting rights had been restituted requested to an provisional general meeting of shareholders

Applicable Not applicable

Statement on shareholders' meetings

Applicable Not applicable

1. The 2022 First Provisional General Meeting of Shareholders deliberated and adopted the "Proposal on By-election of Supervisors".

The 2021 Annual General Meeting of Shareholders deliberated and adopted "2021 Board of Directors Work Report", "2021 Board of Supervisors Work Report", "2021 Annual Report and Summary", "2021 Final Accounts Report", "2022 Financial Budget Report", and "2021 Profit Distribution Plan", "Proposal on the Proposed Issuance of Various Debt Financing Instruments in the Coming 12 Months".

3. The second provisional general meeting of shareholders in 2022 reviewed and approved the "Proposal on the Re-appointment of Accounting Firm", the "Proposal on the Election of Non-Independent Directors", the "Proposal on the Election of Independent Directors", and the "Proposal on the Election of Supervisors".

4. The third provisional general meeting of shareholders in 2022 reviewed and approved the "Proposal on Reducing and Exempting Rents for Small and Micro Enterprises or Individual Industrial and Commercial Households".

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: Ten Thousand Shares

Name	Position (Note)	SEX	AGE	Start date of tenure	Term end date	Number of shares held at the beginning of the year	Number of shares held at the end of the year	The amount of stock increase or decrease during the year	Reasons for change	Total pre-tax remuneration received from the Company during the reporting period (RMB ten thousand)	Remuneration received from related parties of the Company
ZHAO Wenge	Board chairman	Male	56	September 27, 2018		34	34			49.2	No
WANG Dong	Vice Chairman General manager	Male	50	March 8, 2019		30	30			49.2	No
LI Chengqun	Director	Male	51	May 12, 2014		0	0			0	Yes
ZHANG Lang	Director	Male	49	November 8, 2022		0	0			0	Yes
WANG Chunming	Director	Male	59	August 27, 2019	November 8, 2022	0	0			0	Yes
XU Hang	Director Board Secretary	Male	49	December 12, 2017		30	30			41.82	No
ZHANG Leping	Director	Male	43	November 8, 2022		0	0			0	Yes
GU Zhixu	Director	Male	35	December 10, 2020	November 8, 2022	0	0			0	Yes

MA Shuzhong	Independent director	Male	55	August 27, 2019		0	0			7.2	No
HONG Jianqiao	Independent director	Male	57	May 22, 2020		0	0			7.2	No
LUO Jinming	Independent director	Male	55	April 9, 2021		0	0			7.2	No
JIN Xiaojia	Chairman of the Supervisory Board	Male	35	December 16, 2016		0	0			0	Yes
WANG Jinjian	Supervisor	Male	50	October 26, 2020		0	0			0	Yes
WU Menghua	Supervisor	Female	32	March 10, 2022		0	0			0	Yes
WANG Gaiying	Supervisor	Female	43	October 26, 2020	February 22, 2022	0	0			0	Yes
FANG Min	Employee supervisor	Male	38	December 8, 2020		0	0			27.85	No
JIN Yongsheng	Employee supervisor	Male	45	December 8, 2020		0	0			17.51	No
HUANG Haiyang	Vice general manager	Male	33	June 21, 2022		0	0			24.395	No
ZHANG Qizhen	Vice general manager	Male	55	July 7, 2017		30	30			41.82	No
SHOU Shengdi	Vice general manager	Male	49	November 4, 2021		0	0			6.67	No
LI Xiaobao	Vice general manager	Male	46	June 21, 2022		0	0			24.395	No
GONG Chenghao	Vice general manager	Male	43	September 29, 2021		20	20			41.82	No
YANG Yang	Vice general manager	Male	40	September 29, 2021		20	20			41.82	No
HUANG Xiaoying	Vice general manager	Female	40	March 9, 2023		0	0			0	No

ZHAO Difang	Financial Manager	Female	50	May 12, 2014		35.01	35.01			41.82	No
WU Xiubin	Vice general manager	Male	52	July 17, 2020	June 21, 2022	30	0	-30	Equity Incentive Repurchase and Cancellation	17.425	No
JIN Gengzhong	Vice general manager	Male	53	September 18, 2020	September 6, 2022	30	0	-30	Equity Incentive Repurchase and Cancellation	17.425	No
ZHU Yi	Vice general manager	Male	43	November 4, 2021	November 8, 2022	0	0			0	No
Total	/	/	/	/	/	259.01	199.01	-60	/	464.77	/

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 deputy director of the Party Committee of Yiwu SASAO, and deputy director (concurrently) of the management committee of the State-owned Assets Operation Center, and is currently the deputy secretary of the Company's party committee, vice chairman and general manager.
LI Chengqun	He used to be the deputy party secretary, vice chairman and general manager of Yiwu Small Commodity City Evergrande Development Co., Ltd., and is currently the party secretary, chairman and company director of Yiwu Market Development Group Co., Ltd.
ZHANG Lang	He used to be the party secretary, vice chairman and general manager of Yiwu International Land Port Group Co., Ltd., and is currently the deputy secretary, vice chairman, general manager and company director of Yiwu Market Development Group Co., Ltd.
WANG Chunming	He used to be a director of the Company, and his term expired on November 8, 2022, and has not held any other positions in the Company since then.
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.
ZHANG Leping	He used to be the general manager of Hangtong Equity Investment Fund Management (Hangzhou) Co., Ltd., and is currently the deputy general manager and director of Zhejiang Zhecai Capital Management Co., Ltd.
GU Zhixu	He used to be a director of the Company, and his term expired on November 8, 2022, and has not held any other positions in the Company since then.

MA Shuzhong	He is currently the dean of the China Digital Trade Research Institute of Zhejiang University and concurrently serves as an independent director of the Company.
HONG Jianqiao	He is currently the dean of the Accounting Department of the School of Management, Fudan University, and concurrently serves as an independent director of the Company.
LUO Jinming	He's now a professor of Zhejiang University, and an independent director of the Company and Silan Microelectronics 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 supervisory committee of the Company.
WANG Jinjian	He used to be the deputy general manager of Yiwu China Commodities City Property Development Co., Ltd., and is currently the general manager and company supervisor of Yiwu China Commodities City Property Development Co., Ltd.
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 a supervisor of the Company, and resigned as a supervisor of the Company on February 22, 2022, and has not held any other positions in the Company since then.
FANG Min	He used to be a business commissioner of the Company's human resources department (party construction office), and currently serves as deputy 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 business assistant of the Company's supervision and audit department, the accounting supervisor of the finance department of the Company's Ocean Hotel, and the internal audit supervisor of the Company's legal audit department. He is currently the financial director of Xingfu Lake International Conference Center and the Company's employee supervisor.
HUANG Haiyang	He used to be a member of the party committee and deputy general manager of Yiwu Urban Investment and Construction Group Co., Ltd., and is currently a member of the party committee and deputy general manager of Zhejiang China Commodities City Group Co., Ltd.
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 deputy 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 Deputy Director of Zhejiang Yiwu City Commerce Bureau, and is currently a member of the party committee and deputy general manager of the Company.
LI Xiaobao	He used to be a member of the party committee and deputy general manager of Yiwu Urban Investment and Construction Group Co., Ltd., and is currently a member of the party committee and deputy general manager of Zhejiang China Commodities City Group Co., Ltd.
GONG Chenghao	He used to be the general manager of Yiwu China Commodities City Information Technology Co., Ltd., and the general manager of Yiwu China Commodities City Supply Chain Management Co., Ltd., and is currently a member of the party committee and deputy general manager of the Company.
YANG Yang	He used to be the general manager of Zhejiang Yiwu China Commodities City Imported Commodity Market Branch, the general manager of Zhejiang Yiwu China Commodities City Import and Export Co., Ltd., and is currently a deputy general manager of the Company.

HUANG Xiaoying	She used to be the director of the Supervision Office of the People's Government of Fotang Town, the secretary of the Disciplinary Committee, and a member of the Party Committee. He is currently a member of the Party Committee and Deputy General Manager of the Company.
ZHAO Difang	She used to be the general manager of the Company's financial department and is currently the head of the Company's finance.
WU Xiubin	He used to be a member of the Party Committee and a deputy general manager of the Company, and resigned as a deputy general manager of the Company on June 21, 2022, and has not held other positions in the Company since then.
JIN Gengzhong	He used to be a member of the Party Committee and a deputy general manager of the Company, and resigned as a deputy general manager of the Company on September 6, 2022, and has not held other positions in the Company since then.
ZHU Yi	He used to be a member of the Party Committee and a deputy general manager of the Company, the term of which expired on November 8, 2022, and has 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 2022, and the actual remuneration will be determined after the completion of relevant assessments and the implementation of relevant procedures.
2. Mr Fang Min, and Mr 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	Yiwu China Commodities City Holdings Limited	Chairman, general manager	2019	
WANG Dong	Yiwu China Commodities City Holdings Limited	Director	2021	
LI Chengqun	Yiwu Market Development Group Co., Ltd.	Board chairman	2014	
ZHANG Lang	Yiwu Market Development Group Co., Ltd.	Vice Chairman and General Manager	2022	
ZHANG Leping	Zhejiang Zhecai Capital Management Co., Ltd.	Vice general manager	2022	
JIN Xiaojia	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		
WANG Gaiying	Yiwu State-owned Assets and State-owned Enterprise Development Service Center	Assigned full-time supervisor		
Description of the position in the shareholder unit	Nil			

2. Serving 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	
HONG Jianqiao	Shanghai Laiyifen Co., Ltd.	Independent director		
HONG Jianqiao	Shanghai Huaфон Microfiber Technology Co., Ltd.	Independent director		
LUO Jinming	Hangxiao Steel Structure Co., Ltd.	Independent director		
LUO Jinming	Riyue Heavy Industries Co., Ltd.	Independent director		
LUO Jinming	Ningbo Qiancheng Furniture Co., Ltd.	Independent director		
LUO Jinming	Wanyuan Ecology 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	Nil
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(iii) Remuneration of directors, supervisors and senior management personnel√Applicable Not applicable

Decision-making procedures for the remuneration of directors, supervisors and senior executives	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 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 2022 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 2022, totaling RMB 4,431,700 before tax.

(iv) Changes in directors, supervisors and senior officers of the Company√Applicable Not applicable

Name	Title	Change	Reasons for change
ZHANG Lang	Director	Election	Election
ZHANG Leping	Director	Election	Election
WANG Chunming	Director	Leaving office	Term expired
GU Zhixu	Director	Leaving office	Term expired
WU Menghua	Supervisor	Election	Election
WANG Gaiying	Supervisor	Leaving office	Resigned as supervisor in accordance with organizational arrangement
HUANG Haiyang	Vice general manager	Hiring	Hired by the Board of Directors
LI Xiaobao	Vice general manager	Hiring	Hired by the Board of Directors

HUANG Xiaoying	Vice general manager	Hiring	Hired by the Board of Directors
WU Xiubin	Vice general manager	Leaving office	Due to job adjustments, he resigned from deputy general manager.
JIN Gengzhong	Vice general manager	Leaving office	Due to job adjustments, he resigned from deputy general manager.
ZHU Yi	Vice general manager	Leaving office	Term expired

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

Applicable Not applicable

(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
44th meeting of 8th Board of Directors	February 22, 2022	Reviewed and approved 1. "Proposal on Convening the First Provisional General Meeting of Shareholders in 2022"
45th meeting of 8th Board of Directors	March 20, 2022	Reviewed and approved 1. "2021 Annual Work Report of the Board of Directors" 2. "2021 Annual Report" 3. "2021 Annual Financial Final Account Report" 4. "2022 Financial Budget Report" 5. "Profit Distribution Plan for 2021" 6. "Proposal on Determining Audit Fees of Accounting Firm in 2021" 7. "2021 Internal Control Evaluation Report" 8. "Sustainable Development Report for 2021" 9. "Proposal on Applying for Credit Granting from Relevant Financial Institutions" 10. Proposal on Issuing Debt Instruments within the Coming 12 Months 11. "Proposal on Convening the 2021 Annual General Meeting of Shareholders" 12. "2021 Internal Control Audit Report" 13. "2021 Annual Work Report of Independent Directors" 14. "Report on Duty Performance of the Audit Committee of the Board of Directors in 2021"
46th meeting of 8th Board of Directors	March 28, 2022	Reviewed and approved 1. "Proposal on Investing in the Construction of Cross-Border E-commerce Logistics Park" 2. "Proposal on Participating in Land Bidding" 3. "Proposal on Authorizing the Chairman to Use Idle Funds to Entrust Financial Management"
47th meeting of 8th Board of Directors	April 14, 2022	Reviewed and approved 1. "First Quarter Report for 2022"
48th meeting of 8th	April 27,	Reviewed and approved

Board of Directors	2022	1. "Proposal on Investing in the Construction of the First Phase Project of Yiwu International Digital Logistics Market" 2. "Proposal on Participating in Land Bidding"
49th meeting of 8th Board of Directors	June 21, 2022	Reviewed and approved 1. "Proposal on Appointment of Deputy General Manager"
50th meeting of 8th Board of Directors	June 27, 2022	Reviewed and approved 1. "Proposal on the Establishment of Wholly-Owned Subsidiaries by Foreign Investment"
51st meeting of 8th Board of Directors	July 19, 2022	Reviewed and approved 1. "Proposal on Adjusting the Repurchase Price of Restricted Stocks and Repurchase and Cancellation of Some Restricted Stocks" 2. "Proposal on Participating in Land Bidding"
52nd meeting of 8th Board of Directors	August 16, 2022	Reviewed and approved 1. "2022 Semi-Annual Report and Summary"
53rd meeting of 8th Board of Directors	August 23, 2022	Reviewed and approved 1. "Proposal on the Establishment of Foreign Investing Subsidiaries"
54th meeting of 8th Board of Directors	September 28, 2022	Reviewed and approved 1. "Proposal on Applying for Credit Granting from Relevant Financial Institutions"
55th meeting of 8th Board of Directors	October 19, 2022	Reviewed and approved 1. "Third Quarter Report for 2022" 2. "Proposal on General Election of the Board of Directors" 3. "Proposal on Renewing the Engagement of Accounting Firms" 4. "Proposal on Convening the Second Provisional General Meeting of Shareholders in 2022"
1st meeting of 9th Board of Directors	November 8, 2022	Reviewed and approved 1. "Proposal on Election of Chairman and Vice Chairman of the Ninth Board of Directors" 2. "Proposal on the Election of Members of Special Committees of the Ninth Board of Directors" 3. "Proposal on the Appointment of the General Manager of the Company" 4. "Proposal on the Appointment of the Company's Deputy General Manager, Secretary of the Board of Directors and Person in Charge of Finance" 5. "Proposal on Appointment of Securities Affairs Representative" 6. "Proposal on Authorization of the Board of Directors to the Management Team Headed by the Chairman"
2nd meeting of 9th Board of Directors	November 11, 2022	Reviewed and approved 1. "Proposal on Rent Reduction and Exemption for Small and Micro Enterprises or Individual Industrial and Commercial Households"

		2. "Proposal on Convening the Third Provisional General Meeting of Shareholders in 2022"
3rd meeting of 9th Board of Directors	November 22, 2022	Reviewed and approved 1. "Proposal on Entrusted Management of Project Construction and Related Transactions" 2. "Proposal on Cancellation of Huishang Investment Management Branch of the Company"
4th meeting of 9th Board of Directors	December 5, 2022	Reviewed and approved 1. "Proposal on Changing the Registered Capital and Amending the Articles of Association"
5th meeting of 9th Board of Directors	December 15, 2022	Reviewed and approved 1. "Proposal on Formulating the Management System for External Financial Assistance" 2. "Proposal on Providing External Entrusted Loans"
6th meeting of 9th Board of Directors	December 28, 2022	Reviewed and approved 1. "Proposal on the Achievement of the Unlocking Conditions for the First Unlocking Period of Part of the First Grant of the 2020 Restricted Stock Incentive Plan" 2. "Proposal on the 2021 annual remuneration of some directors of the Company" 3. "Proposal on the 2021 annual remuneration of the Company's senior management" 4. "Proposal on Convening the First Provisional General Meeting of Shareholders in 2023"

VI. Duties performed by directors**(i) Meetings of Board of Directors and Shareholders attended by Directors**

Director Name	Independent director or not	Participation in meetings of Board of Directors						Participation in General meeting of shareholders
		Number of board meetings this year	Number of attendances in person	Number of participations by communication	Number of delegates attended	Absence Frequency	Failure to attend the meeting in person twice in a row or not	The number of shareholders attending the general meeting
ZHAO Wenge	No	18	18	15	0	0	No	3
WANG Dong	No	18	18	15	0	0	No	4
LI Chengqun	No	18	18	15	0	0	No	2
ZHANG Lang	No	6	6	5	0	0	No	2
WANG Chunming	No	12	12	10	0	0	No	0
XU Hang	No	18	18	15	0	0	No	4
ZHANG Leping	No	6	6	5	0	0	No	1
GU Zhixu	No	12	11	10	1	0	No	0
MA Shuzhong	Yes	18	18	15	0	0	No	1
HONG Jianqiao	Yes	18	16	15	2	0	No	0
LUO Jinming	Yes	18	18	15	0	0	No	1

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	18
Including: the number of on-site meetings	3
Number of meetings held by communication	15
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 ZHANG Lang
Nomination Committee	MA Shuzhong LUO Jinming XU Hang
Compensation and Appraisal Committee	LUO Jinming HONG Jianqiao LI Chengqun
Strategy Committee	ZHAO Wenge WANG Dong MA Shuzhong

(2). 8 meetings were held by these committees during the report period

Date	Contents of the meeting	Important comments and suggestions	Other things on duty fulfillment
March 3, 2022	The 15th meeting of the Audit Committee of the 8th Board of Directors reviewed and approved the "2021 Integrated Audit Plan"	Approved the 2021 Integrated Audit Plan	
March 20, 2022	The 16th meeting of the Audit Committee of the 8th Board of Directors reviewed and approved the "2021 Annual Financial Report", "2021 Annual Internal Control Evaluation Report", "2021 Annual Internal Control Audit Report", and "2021 Annual Duty Performance Report of the Audit Committee"	Approved the 2021 financial report, the 2021 internal control evaluation report, the 2021 internal control audit report, and the audit committee's 2021 performance report	
June 20, 2022	The 8th Meeting of the Nomination Committee of the 8th Board of Directors reviewed and approved the "Proposal on Nominating Deputy General Managers"	Agreed to nominate Mr. HUANG Haiyang and Mr. LI Xiaobao as candidates for deputy general manager	
August 16, 2022	The 17th Meeting of the Audit Committee of the Eighth Session of the Board of Directors reviewed and approved the "2022 Semi-Annual Internal Control Audit Work Report"	Approved the 2021 Semi-annual Internal Control Audit Work Report	
October 17, 2022	The 9th Meeting of the Nomination Committee of the Eighth Board of Directors reviewed and approved the "Proposal on the General Election of the Board of Directors"	Approved the general election of the board of directors, and nominate Mr. Zhao Wenge, Mr. Wang Dong, Mr. Li Chengqun, Mr. ZHANG Lang and Mr. Xu Hang as non-independent director candidates for the	

		Company's ninth board of directors, and nominate Mr. Ma Shuzhong, Mr. Hong Jianqiao and Mr. Luo Jinming as the Company's Candidates for independent directors of the Ninth Board of Directors, among whom Mr. Hong Jianqiao is an accounting professional	
October 17, 2022	The 18th meeting of the Audit Committee of the 8th Board of Directors reviewed and approved the "Proposal on Renewing the Engagement of Accounting Firms"	Approved the proposal on further appointment of the accounting firm	
November 07, 2022	The first meeting of the Nomination Committee of the Ninth Board of Directors reviewed and approved the "Proposal on Nominating the Company's General Manager", "The Proposal on Nominating the Company's Deputy General Manager, Secretary of the Board of Directors and Person in Charge of Finance"	Agreed to nominate Mr. Wang Dong as candidate for general manager; agree to nominate Mr. HUANG Haiyang, Mr. ZHANG Qizhen, Mr. Shou Shengdi, Mr. LI Xiaobao, Mr. Gong Chenghao, and Mr. Yang Yang as candidates for deputy general manager, and Mr. Xu Hang as candidate for the Company's board secretary , Ms. Zhao Difang is the candidate for the Company's financial director	
December 28, 2022	The first meeting of the Remuneration and Appraisal Committee of the Ninth Board of Directors deliberated and approved the "Proposal on the Conditions for Unlocking of the First Granted Part in the First Unlocking Period of the Restricted Stock Incentive Plan", "About the 2021 Annual Proposal on Salary Cashing", "Proposal on the 2021 Annual Salary Cashing of the Company's Senior Management"	Agreed to award part of the achievement of unlocking conditions during the first unlocking period for the first time; agreed to honor the 2021 annual remuneration of some directors and executives	

(3). The specifics of objection

Applicable Not applicable

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

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	1,754
Number of employees in major subsidiaries	1,475
Total number of employees	3,229
Number of retired employees for whom the parent company and major subsidiaries have to bear expenses	
Professional composition	
Professional composition category	Professional composition
Production staff	498
Salesperson	102
Technical staff	1,905
Financial officer	94
Administration staff	416
Security personnel	198
Vehicle management staff	16
Total	3,229
Education level	
Education level category	Quantity (person)
Postgraduate	113
Bachelor's degree	1,530
College graduates	840
High school	326
Junior high school and below	420
Total	3,229

(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 deputy 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	2501.5 months
Total remuneration paid for labor outsourcing	14.3055 million yuan

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 Notice on Forwarding and Further Implementation of Listed Companies' Cash Dividends (ZZJSSZ [2012] 138) Regulations, 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 provisional 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 Commodities City Group Co., Ltd. on Shareholder Dividend Return Plan.

The Company's 2021 annual general meeting of shareholders held on April 13, 2022 reviewed and approved the Company's profit distribution plan for 2021. In 2021, based on the total share capital of 5,491,274,176 shares, a cash dividend of RMB 0.73 (including tax) will be distributed for every 10 shares. A total of RMB 400,863,014.85 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 1, 2022. The profits have been distributed before June 10, 2022. 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	√ Y <input type="checkbox"/> N
Whether the dividend standard and ratio are clear and clear	√ Y <input type="checkbox"/> N
Whether the relevant decision-making procedures and mechanisms are complete	√ Y <input type="checkbox"/> N
Whether the independent directors performed their duties and played their due role	√ 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	√ 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

(iv) Profit distribution and conversion of capital reserves into share capital during the reporting period

√Applicable Not applicable

Unit: RMB

Number of bonus shares for every 10 shares	0
Dividend payout for every 10 shares (tax inclusive)	0.65
Number of shares converted from the capitalization of capital reserve for every 10 shares	0
Cash dividend amount (tax included)	356,594,821.44
Net profit attributable to common shareholders of listed companies in the annual consolidated statements of dividends	1,104,719,091.71
Percentage of net profit attributable to common shareholders of listed companies in the consolidated statements (%)	32.28
The circumstance when repurchase of shares in cash is included in cash dividends	0
Total dividend amount (tax included)	356,594,821.44
The ratio of the total dividend amount to the net profit attributable to ordinary shareholders of the listed company in the consolidated statement (%)	32.28

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
<p>On October 23, 2020, the twenty-third meeting of the eighth session of the Company's board of directors passed the Proposal on the Company's 2020 Restricted Stock Incentive Plan (Draft) and Its Summary, Proposal on the Measures for the Evaluation and Management of the Implementation of the Company's 2020 Restricted Stock Incentive Plan, 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 Stock Incentive Plan (Draft) and its Summary, The Proposal on the Implementation Evaluation and Management Measures for the Company's 2020 Restricted Stock Incentive Plan, Proposal on Verification of the List of Incentive Objects of the Company's 2020 Restricted Stock 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>For details, please refer to the Company's announcement on the website of the Shanghai Stock Exchange (www.sse.com.cn) on October 24, 2020.</p>
<p>On November 18, 2020, it received the Approval for Approving Zhejiang China Commodities City Group Co., Ltd. to implement the 2020 restricted stock incentive plan issued by the State-owned Assets Supervision and Administration Office of the People's Government of Yiwu City, forwarded by Yiwu China Commodities 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 stock 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 Stock 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 Stock Incentive Plan (Draft)' and Summary", the "Proposal on the "Measures of Assessment and Management of Implementation of 'Company's 2020 Restricted Stock 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 Report on the Trades of Company's Stocks by Insiders of Company's 2020 Restricted Stock 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 11, 2020.</p>
<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 Stock 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 Boarder 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 Stock 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 Securities Depository and Clearing Co., Ltd., and the Company completed the registration of the reserved grant of restricted stocks to incentive objects.</p>	<p>For details, see the Company's announcement on the website of the Shanghai Stock Exchange (www.sse.com.cn) on November 6, 2021.</p>
<p>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.</p>	<p>For details, see the Company's announcement on the website of the Shanghai Stock Exchange (www.sse.com.cn) on November 26, 2021.</p>

<p>On July 19, 2022, the fifty-first meeting of the eighth board of directors of the Company reviewed and approved the "Proposal on Adjusting the Repurchase Price of Restricted Stocks and the Repurchase and Cancellation of Some Restricted Stocks", and the independent directors of the Company issued a statement on this Independent opinion expressing consent.</p> <p>On July 19, 2022, the 14th meeting of the 8th Supervisory Committee of the Company passed the "Proposal on Adjusting the Repurchase Price of Restricted Shares and Repurchasing and Cancelling Some Restricted Shares".</p>	<p>For details, see the Company's announcement on the website of the Shanghai Stock Exchange (www.sse.com.cn) on July 20, 2022.</p>
<p>On October 18, 2022, 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 October 21, 2022, 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.</p>	<p>For details, see the Company's announcement on the website of the Shanghai Stock Exchange (www.sse.com.cn) on October 19, 2022.</p>
<p>On December 28, 2022, the sixth meeting of the ninth session of the board of directors of the Company passed the "Proposal on the achievements of the first part of the 2020 Restricted Stock Incentive Plan to grant part of the first unlocking period to unlock the selling restrictions". The independent directors of the Company have issued independent opinions expressing agreement.</p> <p>On December 28, 2022, the second meeting of the Company's ninth board of supervisors passed the "Proposal on the Achievement of the First Unlocking Period of the First Unlocking Period of the First Grant of the 2020 Restricted Stock Incentive Plan". The Board of Supervisors issued the "Verification Opinion on the Achievement of the Unlocking Conditions for the First Unlocking Period of the Part of the First Grant of the 2020 Restricted Stock Incentive Plan".</p>	<p>For details, see the Company's announcement on the website of the Shanghai Stock Exchange (www.sse.com.cn) on July 20, 2022.</p>

(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

(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 "2022 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 "2022 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 2022 financial statements. 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, 2022. Please refer to the website of Shanghai Stock Exchange (www.sse.com.cn) for details of the "Internal Control Audit Report".

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

Whether to establish relevant mechanisms for environmental protection	No
Investment in environmental protection funds during the reporting period (unit: ten thousand yuan)	NA

(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

Whether to take carbon reduction measures	Yes
Reduction of carbon dioxide equivalent emissions (unit: tons)	17,600
Types of carbon reduction measures (such as using clean energy to generate electricity, using carbon reduction technologies in the production process, developing and producing new products that help reduce carbon emissions, etc.)	clean energy power generation

Specific instructions

Applicable Not applicable

II. Social responsibility

(i) Whether to disclose social responsibility report, sustainable development report or ESG report separately

Applicable Not applicable

For details, please refer to the "2022 ESG Report" disclosed by the Company on the website of the Shanghai Stock Exchange.

(ii) Social responsibility

Applicable Not applicable

Specific instructions

Applicable Not applicable

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

Applicable Not applicable

Specific instructions

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 shareholders 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

- (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	15
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	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 firm

Applicable Not applicable

After deliberation at the 55th meeting of the eighth Board of Directors of the Company held on October 19, 2022, and the Company's second provisional general meeting of shareholders in 2022 held on November 8, 2022, 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 2022 financial and internal control audit agency. For details, please refer to the Announcement on Renewing the Appointment of Accounting Firms (L2022-055) issued by the Company on the Shanghai Stock Exchange website www.sse.com.cn on October 20, 2022, and the Announcement on Resolutions of the Second Provisional General Meeting of Shareholders in 2022 (L2022-059) issued by the Company on the Shanghai Stock Exchange website www.sse.com.cn on November 9, 2022.

Statement on replacing the accounting firm during the audit

Applicable 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)
Zhenjiang Hongda Real Estate Co., Ltd., Zhenjiang Hongda Yiwu Small Commodity Market Management Co., Ltd.	The Company	Nil	Litigation	Second instance of unfair competition dispute [(2022) SMZ No. 362]	812.00	No	Judgment has been made	Dismissed the appeal and upheld the original verdict	Won but not enforced
Sun Lijun, Tu Lixin	Bafang Construction Group Co., Ltd., the Company, the first branch of the International Trade	Nil	Litigation	Construction project subcontract dispute case [(2022) Z 0782]	546.98	No	Judgment has been made	The claims of plaintiffs Sun Lijun and Tu Lixin were	Closed

	City			MSQD No. 3081]				dismissed.	
China Cinda Asset Management Co., Ltd. Zhejiang Branch	Zhejiang Yiwu China Small Commodity City Trading Co., Ltd., the Company	Nil	Litigation	Dispute over License of Credit [(2021) Z 07 MC No. 230]	10,939.76	Yes, 11,062.03	Hearing has been held. Undecided		
Ying Jianhua	The Company, third party Shenzhen Pengrun Construction Group Co., Ltd.	Nil	Litigation	Dispute over construction contract [(2022) Z 0782 M C No. 8315]	836.31	No	Hearing has been held. Undecided		
Ningxia Shenghong Construction Engineering Co., Ltd.	Shizuishan Shengyuze Asset Management Co., Ltd., Yiwu China Commodities City Supply Chain Management Co., Ltd., the Company	Nil	Litigation	Dispute over construction contract [(2022) N 0202 M C No. 4273]	430.69	No	Hearing has been held. Undecided		
The Company	Zhejiang Yiwu Chuanglian Market Investment and Management Co., Ltd., Hebei Jiangcheng Real Estate Development Co., Ltd., Handan Zheshang Yiwu China Commodities Wholesale City Co., Ltd.	Nil	Litigation	Dispute over unfair competitions [(2021) Z 0782 MC No.6367]	485.00	No	No hearings have not been held		

(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 dispute over a letter of credit" in 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" (L 2018-008) disclosed by the Company on March 2, 2018. Later, the claims were 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.

As of the end of the reporting period, the court hearing for the case was held but no judgment was made.

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

The third meeting of the Company's ninth Board of Directors reviewed and approved the "Proposal on Entrusted Management of Project Construction and Related Transactions", and agreed that the Company's wholly-owned subsidiaries Yiwu Shangbo and Yiwu Shangbo Digital Intelligence Enterprise Management Co., Ltd. and the controlling shareholder Mall Holdings respectively signed the "Contract on Entrusted Management of Engineering Projects" with Shangbo Yungu a wholly-owned subsidiary of the Company's controlling shareholder CCCH. For details, please refer to the "Announcement on Entrusted Management of Project Construction and Related Transactions" (L 2022-073) disclosed by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on November 23, 2022.

As of the end of the reporting period, the project was under construction.

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 PRICE	Reasons for the large difference between the price of the transaction and reference market price
Yiwu China Commodities City Property Service Co., Ltd.	Subsidiary of controlling shareholder	Acceptance of labor service	Property service fee and greening maintenance fee	Market price	184,739,755.70	184,739,755.70	78.08	Account transfer	184,739,755.70	
Yiwu Security Service Co., Ltd.	Subsidiaries of controlling shareholder parent company	Acceptance of labor service	Exhibition security service fee	Market price	28,188,230.28	28,188,230.28	11.91	Account transfer	28,188,230.28	
CCCH	Controlling shareholders	Lease	Warehouses	Market price	15,015,618.37	15,015,618.37	6.35	Account transfer	15,015,618.37	
Yiwu China Commodities City Property Service Co., Ltd.	Subsidiary of controlling shareholder	Sales of goods	Sales of goods	Market price	2,175,245.60	2,175,245.60	0.92	Account transfer	2,175,245.60	
Yiwu Agriculture Development Co., Ltd.	Subsidiaries of controlling shareholder parent company	Buying goods	Commodity purchase	Market price	2,042,604.35	2,042,604.35	0.86	Account transfer	2,042,604.35	

CCCP	Subsidiary of controlling shareholder	Lease	Office space	Market price	1,126,617.29	1,126,617.29	0.48	Account transfer	1,126,617.29	
Yiwu Shangbo Yungu Enterprise Management Co., Ltd.	Subsidiary of controlling shareholder	Providing services	Construction fee	Market price	1,100,800.00	1,100,800.00	0.47	Account transfer	1,100,800.00	
Yourworld International Conference Center, subordinated to Yiwu Market Development Group	Branches of the controlling shareholder parent company	Acceptance of labor service	Laundrying fees	Market price	1,054,026.05	1,054,026.05	0.45	Account transfer	1,054,026.05	
Yiwu Market Development Service Center Co., Ltd.	Subsidiaries of controlling shareholder parent company	Lease	Parking lot	Market price	516,288.99	516,288.99	0.22	Account transfer	516,288.99	
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	514,979.27	514,979.27	0.22	Account transfer	514,979.27	
Yiwu China Commodities City Property Service Co., Ltd.	Subsidiary of controlling shareholder	Lease	Office space	Market price	122,445.99	122,445.99	0.04	Account transfer	122,445.99	
Total				/	/	236,596,611.89	100	/	/	/
Return of large-value goods sales										
Illustration on related-party transactions					Yiwu China Small Commodity City Property Service Co., Ltd. obtained the market property service and greening maintenance contract by participating in public bidding.					

(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**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**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. Hosting**Applicable Not applicable**2. Contracting**Applicable Not applicable**3. Renting**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	9,479.93	Dec 16, 2015	Jul 1, 2015	Dec 15, 2026	Joint and several liability guarantee	Nil	No	No	NA	SCO provided a counter-guarantee	Yes	Joint venture	
Hangzhou Shangbo Nanxing	Wholly-owned subsidiary	House purchase	484.63				Joint and several liability guarantee	Nil	No	No	NA		No		
Amount of guarantees made during the reporting period (excluding the guarantees provided for subsidiaries)															-5,898.85
Balance of guarantees at the end of the reporting period (A) (excluding the guarantees provided for subsidiaries)															9,964.56
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)	9,964.5 6
Ratio of the total amount of guarantees to the Company's net assets (%)	0.65
Among them:	
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	N/A
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, 2022, Yiwu Shanglv actually borrowed RMB 193,468,056.42 (December 31, 2021: 296,505,577.63) from banks in total. According to the agreement of the guarantee contract, it assumed the guarantee liability of RMB 94,799,347.65 (December 31, 2021: RMB 145,287,733.04) for the Agricultural Bank of China Yiwu Branch. SCO provided a counter-guarantee for this guarantee.</p> <p>2. 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, 2022, the unsettled guarantee amount was RMB 4,846,333.64 (December 31, 2021: RMB 5,063,333.60). 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

Other information

Applicable 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

Unit: RMB10,000

Type	Source of funds	Amount	Unexpired balance	Overdue unrecovered amount
Entrusted Loans	Self-owned funds	4,800	4,800	-

Zhejiang Yiwugou E-Commerce Co., Ltd., an indirect controlled subsidiary of the Company, provided an entrusted loan of RMB 48 million to Yixia Chengdu International Trade City Co., Ltd. with its own funds for a period of 2 years in order to improve the efficiency of capital use. For details, please refer to the "Announcement on Providing Entrusted Loans to External Parties" (L 2022-079) disclosed on the website of the Shanghai Stock Exchange.

Other information

Applicable Not applicable

(2) Single Entrusted Loan

Applicable Not applicable

Unit: RMB10,000

trustee	Type of entrusted loan	Entrusted loan amount	Entrusted loan start date	Entrusted loan termination date	Fund sources	Annualized rate of return	Actual recovery	Statutory procedures	Entrusted loan program	Amount of provision for impairment (if any)
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Yiwu Branch of Agricultural Bank of China Co., Ltd.	Bank entrusted loans	4,800	Dec 20, 2022	Dec 19, 2024	Self-owned funds	5.5%		Yes		NA
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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 (RMB 10,000)
1	Yiwu International Digital Logistics Market (Yiwu Northeast Warehouse) Project Phase I Construction Contract	Zhejiang Dadongwu Group Construction Co., Ltd.	70,651.77

The 48th meeting of the 8th board of directors of the Company reviewed and approved the "Proposal on Investing in the Construction of the Yiwu International Digital Logistics Market Phase I Project". For details, please refer to the Company's website of the Shanghai Stock Exchange (www.sse.com.cn) disclosed the "Announcement on Investing in the Construction of Yiwu International Digital Logistics Market Phase I Project" (L 2022-027).

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	
	QTY	Proportion (%)	New shares issued	Bonus shares	Shares converted from capital reserve	Others	Sub-total	QTY	Proportion (%)
I. Restricted shares	4,806	0.88	0	0	0	-520	-520	4,286	0.78
1. Shares held by other domestic capitals	4,806	0.88	0	0	0	-520	-520	4,286	0.78
shares held by domestic natural persons	4,806	0.88	0	0	0	-520	-520	4,286	0.78
II. Unrestricted shares	544,321.4176	99.12	0	0	0	0	0	544,321.4176	99.22
1. RMB-denominated common shares	544,321.4176	99.12	0	0	0	0	0	544,321.4176	99.22
III. Total number of shares	549,127.4176	100	0	0	0	-520	-520	548,607.4176	100

2. Description of changes in shares

Applicable Not applicable

On October 21, 2022, because some incentive objects no longer met the incentive conditions, the Company repurchased and cancelled 5,200,000 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

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 stock incentive plan in 2020	4,572	0	0	4,060	Restricted stock 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 stock incentive plan in 2020	234	0	0	226	Restricted stock 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	4,806	0	0	4,286	/	/

Note: During the reporting period, 45 incentive objects no longer met the incentive conditions due to transfer, resignation and other reasons, and the restricted stocks held by them were repurchased and canceled by the Company. As of the end of the reporting period, there were 372 surviving incentive objects, holding a total of 42.86 million restricted shares.

II. Securities issuance and listing

(i) Securities issuance as of the reporting period

Applicable Not applicable

Unit: 10,000 shares, Currency: RMB

Stocks and derivatives of securities	Issue date	Issuing price (or interest rate)	Issuing number	Listing date	Number of approved listing transactions	Transaction termination date
Common stock class						
A share	January	RMB 2.94	4,670	January 15,	4,670	

	15, 2021	/share		2021		
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)						
22 YIWU CCC 01	August 30, 2022	2.88%	800	September 8, 2022	800	September 1, 2025
22 YIWU CCC 02	September 20, 2022	2.88%	700	September 27, 2022	700	September 22, 2025

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

Approved by the document "ZJXK [2022] No. 1792" issued by the China Securities Regulatory Commission, the Company publicly issued corporate bonds of RMB 800,000,000 on September 1, 2022, with a face value of RMB 100 and a coupon rate of 2.88%. It was listed and traded on the Shanghai Stock Exchange on September 8, 2022. The abbreviation of the bond is 22 YIWU CCC 01 and the bond code is 137740.

In accordance with the document ZJXK [2022] No. 1792 issued by the China Securities Regulatory Commission, the Company publicly issued corporate bonds of RMB 700,000,000 on September 22, 2022. The face value of the current bonds is RMB 100, and the coupon rate is 2.88%. It was listed and traded on the Shanghai Stock Exchange on September 27, 2022. The abbreviation of the bond is 22 YIWU CCC 02 and the bond code is 137815.

(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

Number of common shareholders as of the end of the reporting period	201,353
The total number of common shareholders (households) at the end of the previous month before the disclosure of the annual report	174,068

(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	QTY	
Yiwu China Commodities City Holdings Limited	0	3,038,179,392	55.38	0	Nil	0	State- owned legal person
Zhejiang Zhecai Capital Management Co., Ltd.	0	147,466,528	2.69	0	Nil	0	State- owned legal person
Hong Kong Central Clearing Company Limited	2,155,460 ⁻	61,754,865	1.13	0	Unk	0	Others
Dacheng Fund— Agricultural Bank of China— Dacheng China Securities Financial Assets Management Scheme	0	27,672,800	0.50	0	Unk	0	Unk
GF Fund— Agricultural Bank of China—GF China Securities Financial Assets Management Scheme	0	27,672,800	0.50	0	Unk	0	Unk

Southern Asset Management — Agricultural Bank of China— Southern China Securities Financial Assets Management Scheme	0	27,672,800	0.50	0	Unk	0	Unk
Zhong Ou AMC— Agricultural Bank of China— Zhong Ou China Securities Financial Assets Management Scheme	4,378,100 ⁻	23,294,700	0.42	0	Unk	0	Unk
E Fund— Agricultural Bank of China— E Fund China Securities Financial Assets Management Scheme	4,662,700 ⁻	23,010,100	0.42	0	Unk	0	Unk
Agricultural Bank of China Co., Ltd. - China Securities 500 Trading Open-end Index Securities Investment Fund	7,538,800	22,592,110	0.41	0	Unk	0	Unk

Yinhua Fund — Agricultural Bank of China— Yinhua China Securities Financial Assets Management Scheme	- 4,401,818	19,395,127	0.35	0	Unk	0	Unk
Shares held by top 10 holders of tradable shares							
Shareholder	Number of tradable shares held	Type and quantity of shares					
		Type	QTY				
Yiwu China Commodities City Holdings Limited	3,038,179,392	RMB- denominated common share	3,038,179,392				
Zhejiang Zhecai Capital Management Co., Ltd.	147,466,528	RMB- denominated common share	147,466,528				
Hong Kong Central Clearing Company Limited	61,754,865	RMB- denominated common share	61,754,865				
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				
Southern Asset Management— Agricultural Bank of China—Southern 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	23,294,700	RMB- denominated common share	23,294,700
E Fund—Agricultural Bank of China—E Fund China Securities Financial Assets Management Scheme	23,010,100	RMB- denominated common share	23,010,100
Agricultural Bank of China Co., Ltd. - China Securities 500 Trading Open-end Index Securities Investment Fund	22,592,110	RMB- denominated common share	22,592,110
Yinhua Fund— Agricultural Bank of China—Yinhua China Securities Financial Assets Management Scheme	19,395,127	RMB- denominated common share	19,395,127
Explanation on the relationship or concerted action between the above shareholders	Zhejiang Provincial Finance Development Co., Ltd., controlling shareholder of Zhejiang Zhecai Capital Management Co., Ltd., holds 9.44% of the shares of Yiwu State-owned Capital Operation Co., Ltd., the controlling shareholder of Yiwu China Commodities 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	Nil		

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

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	Nil
Other statements	Nil

2 Natural person

Applicable Not applicable

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

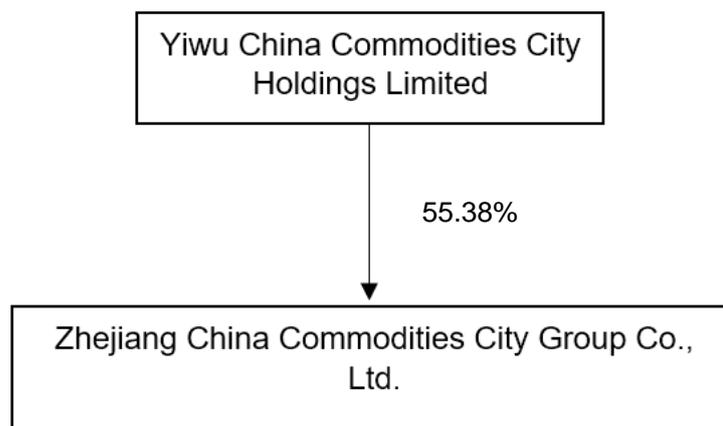
Applicable Not applicable

4 Explanation on Changes in Controlling Shareholders 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
The person in charge or legal representative of the unit	Wang Chenggang
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	Nil

that hold or participate in shares during the reporting period	
Other statements	Nil

2 Natural person

Applicable Not applicable

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

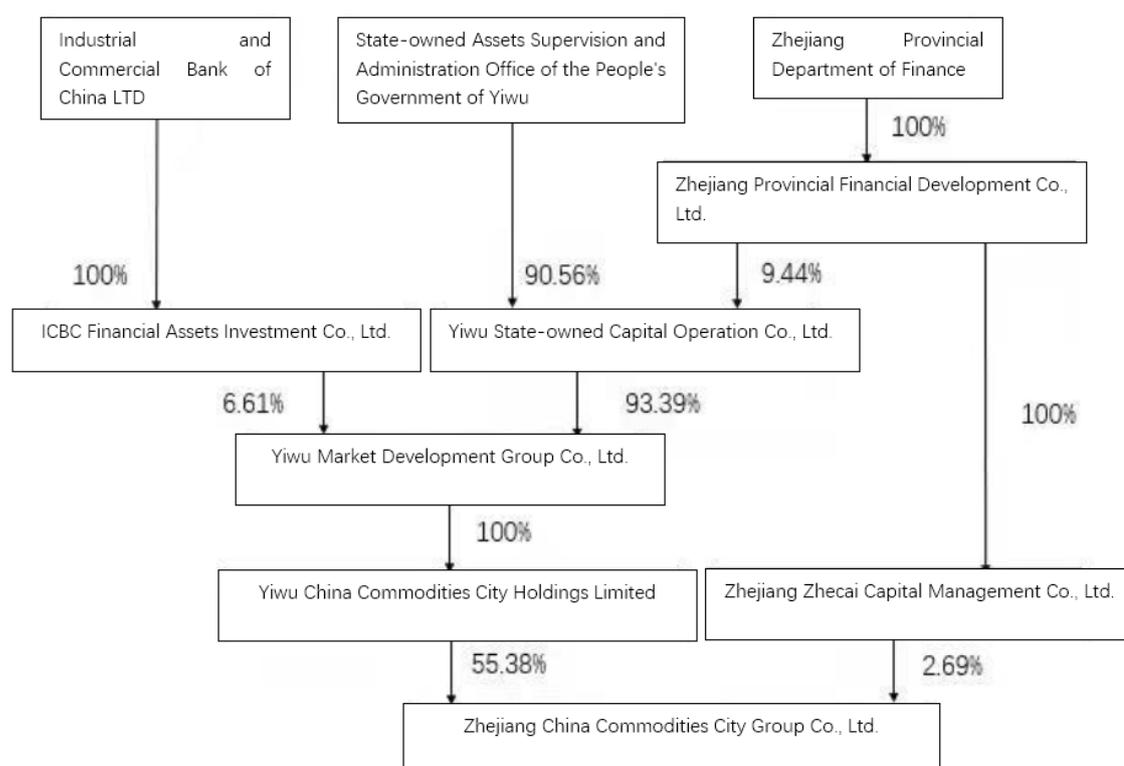
Applicable Not applicable

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 shareholders 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

Name of bond	Abbreviation	Code	Issue date	Value date	Maturity date	Outstanding amount	Interest rate (%)	Method of principal repayment and interest payment	Trading venue	Whether there is a risk of terminating the transaction in the stock market
Zhejiang China Commodities City Group Co., Ltd. publicly issued corporate bonds to professional investors in 2022 (Issue 1)	22 YIWU CCC 01	137 740	September 1, 2022	September 1, 2022	September 1, 2025	8	2.88	Simple interest is calculated, the interest payment frequency is annual, and the principal is repaid once due.	Shanghai Stock Exchange	No
Zhejiang China Commodities City Group Co., Ltd. publicly issued corporate bonds to professional	22 YIWU CCC 02	137 815	September 22, 2022	September 22, 2022	September 22, 2025	7	2.88	Simple interest is calculated, the interest payment frequency is annual, and the principal is	Shanghai Stock Exchange	No

investors in 2022 (Issue 2)								repaid once due.		
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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 1, 2022, the Company paid all the holders of "19 YIWU CCC 01" the interest from June 05, 2021 to June 05, 2022 on time.
Publicly offered corporate bond 2019 of Zhejiang China Commodities City Group Co., Ltd (Phase II)	On September 23, 2022, the Company paid interest to all "19 YIWU CCC 02" holders on time from September 27, 2021 to September 24, 2022.

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
CITIC Securities Co., Ltd.	CITIC Securities Building, No. 48 Liangmaqiao Road, Chaoyang District, Beijing	HAN Dan, LU Yibin	ZHANG Yifan	18758102095

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

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, use plan and other agreements promised in the prospectus
Zhejiang China	8	8	-	Nil	Nil	No

Commodities City Group Co., Ltd. publicly issued corporate bonds to professional investors in 2022 (Issue 1)						
Zhejiang China Commodities City Group Co., Ltd. publicly issued corporate bonds to professional investors in 2022 (Issue 2)	7	7	-	Nil	Nil	No

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 (2022) 00023] on May 20, 2022. The Company had an issuer rating of AAA with stable outlook, and the bonds had a rating of AAA.

Shanghai New Century Credit Rating Investment Service Co., Ltd. issued the "Zhejiang China Commodities City Group Co., Ltd. Credit Rating Report" [New Century Enterprise Review (2022) 020228] on June 28, 2022. The Company's main credit rating is AAA. The rating outlook is stable.

6. The implementation and changes 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

Name of bond	Abbreviation	Code	Issue date	Value date	Maturity date	Outstanding amount	Interest rate (%)	Method of principal repayment and interest payment	Trading venue	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 2022 MTN (Issue 1)	22 Zhejiang Yiwu CCC MTN001	102280347	Feb-22-2022 to Feb-23-2022	Feb 24, 2022	Feb 24, 2025	10	3.29	Annual interest payment, principal repayment at maturity	Interbank market	Nil		No
Zhejiang China Commodities City Group Co., Ltd.'s 2022 MTN (Issue 2)	22 Zhejiang Yiwu CCC MTN002	102280660	Mar-25-2022 to Mar-28-2022	Mar 29, 2022	Mar 29, 2025	5	3.57	Annual interest payment, principal repayment at maturity	Interbank market	Nil		No
Zhejiang China Commodities City Group Co., Ltd.'s 2022 MTN (Issue 3)	22 Zhejiang Yiwu CCC MTN003	102281584	Jul 18, 2022 to Jul 19, 2022	Jul 20, 2022	Jul 20, 2025	5	3.00	Annual interest payment, principal repayment at maturity	Interbank market	Nil		No
Zhejiang China Commodities City Group Co., Ltd.'s	22 Zhejiang Yiwu CCC SCP005	012283271	Sep 19, 2022 to Sep	Sep 21, 2022	May 19, 2023	10	2.09	One-time repayment of principal and	Interbank market	Nil		No

2022 Super Short-term Financing Bonds (Issue 5)			20, 2022					interest at maturity.				
Zhejiang China Commodities City Group Co., Ltd.'s 2022 Super Short-term Financing Bonds (Issue 6)	22 Zhejiang Yiwu CCC SCP006	012283708	Oct 24, 2022 to Oct 25, 2022	Oct 26, 2022	Jun 23, 2023	10	2.30	One-time repayment of principal and interest at maturity.	Interbank market	Nil		No
Zhejiang China Commodities City Group Co., Ltd.'s 2022 Super Short-term Financing Bonds (Issue 7)	22 Zhejiang Yiwu CCC SCP007	012284013	Nov 18, 2022 to Nov 21, 2022	November 22, 2022	Mar 22, 2023	10	3.00	One-time repayment of principal and interest at maturity.	Interbank market	Nil		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 2019 MTN (Issue 1)	On July 14, 2022, the Company paid the interest to the holders of "19 Zhejiang Yiwu CCC MTN001" for the period from July 15, 2021 to July 15, 2022 on time.

Zhejiang China Commodities City Group Co., Ltd.'s 2019 MTN (Issue 2)	On October 20, 2022, the Company paid the interest to the holders of "19 Zhejiang Yiwu CCC MTN002" for the period from October 21, 2021 to October 21, 2022 on time.
Zhejiang China Commodities City Group Co., Ltd.'s 2021 Super Short-term Financing Bonds (Issue 8)	On July 21, 2022, the Company paid interest to the holders of "21 Zhejiang Yiwu CCC SCP008" on time for the period from October 27, 2021 to July 22, 2022.
Zhejiang China Commodities City Group Co., Ltd.'s 2021 Super Short-term Financing Bonds (Issue 9)	On August 11, 2022, the Company paid interest to the holders of "21 Zhejiang Yiwu CCC SCP009" on time for the period from November 15, 2021 to August 12, 2022.
Zhejiang China Commodities City Group Co., Ltd.'s 2021 Super Short-term Financing Bonds (Issue 10)	On August 25, 2022, the Company paid interest to the holders of "21 Zhejiang Yiwu CCC SCP010" on time for the period from November 30, 2021 to August 26, 2022.
Zhejiang China Commodities City Group Co., Ltd.'s 2022 Super Short-term Financing Bonds (Issue 1)	On July 28, 2022, the Company paid interest to the holders of "22 Zhejiang Yiwu CCC SCP001" on time for the period from June 29, 2022 to July 29, 2022.
Zhejiang China Commodities City Group Co., Ltd.'s 2022 Super Short-term Financing Bonds (Issue 2)	On September 23, 2022, the Company paid interest to the holders of "22 Zhejiang Yiwu CCC SCP002" on time for the period from July 27, 2022 to September 26, 2022.
Zhejiang China Commodities City Group Co., Ltd.'s 2022 Super Short-term Financing Bonds (Issue 3)	On October 27, 2022, the Company paid interest to the holders of "22 Zhejiang Yiwu CCC SCP003" on time for the period from August 10, 2022 to October 28, 2022.
Zhejiang China Commodities City Group Co., Ltd.'s 2022 Super Short-term Financing Bonds (Issue 4)	On November 22, 2022, the Company paid interest to the holders of "22 Zhejiang Yiwu CCC SCP004" on time for the period from August 24, 2022 to November 23, 2022.

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
Industrial and Commercial Bank of China Limited	No. 55 Fuxingmennei Street, Xicheng District, Beijing	Wu Weijun, Zeng Hao	Wang Siyuan	010-81013642
China Construction Bank Corporation	No. 25 Jinrong Street, Xicheng District, Beijing	Jiang Changzheng, Tian Zhiyong, Feng Suoteng	ZHANG Rui	010-67596044
Shanghai Pudong Development Bank Co., Ltd.	8th Floor, Shanghai Pudong Development Bank Building, No. 29 Bailian Jingluo, Pudong New Area, Shanghai	SHI Haiyun, DOU Youming	Zhao Guangzhi	021-31886343
Bank of Beijing Co., Ltd.	No. C14, Financial Street, Xicheng District, Beijing	Xu Xuming, Shi Yuxuan	Chen Xi	010-66225593
Agricultural Bank of China Limited	No. 69 Jianguomen Inner Street, Dongcheng District, Beijing	Shi Jian, HUANG Aizhou	An Liwei	010-85109045
Bank of Hangzhou Co., Ltd.	No. 46 Qingchun Road, Hangzhou City, Zhejiang Province	Zhou ZHANG, Tong Yongjing	Dai Ruinan	0571-85119872
Industrial Bank Co., Ltd.	Industrial Bank Building, No. 398 Jiangbin Middle Avenue, Taijiang District, Fuzhou City, Fujian Province	Chen Sijie, Wu Zhongming	Jiang Zhongjin	0571-87037999
Bank of Ningbo Co., Ltd.	No. 345, Ningdong Road, Yinzhou District, Ningbo City, Zhejiang Province	Hu Liang, Gu Ying	Xu Hong	0574-83050395
China Securities Co., Ltd.	No. 188 Chaonei Street, Dongcheng District, Beijing	Han Dan, Yan Jing	Zhou Xinnan	010-85156322

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

Name of bond	Total amount of funds	Amount used	Amount unused	Operation of the special account	Rectification of illegal use of raised funds	Whether it is consistent with the

	raised			for raised funds (if any)	(if any)	purpose, use plan and other agreements promised in the prospectus
Zhejiang China Commodities City Group Co., Ltd.'s 2022 MTN (Issue 1)	10	10	-	Nil	Nil	No
Zhejiang China Commodities City Group Co., Ltd.'s 2022 MTN (Issue 2)	5	5	-	Nil	Nil	No
Zhejiang China Commodities City Group Co., Ltd.'s 2022 MTN (Issue 3)	5	5	-	Nil	Nil	No
Zhejiang China Commodities City Group Co., Ltd.'s 2022 Super Short-term Financing Bonds (Issue 5)	10	10	-	Nil	Nil	No
Zhejiang China Commodities City Group Co., Ltd.'s 2022 Super Short-term Financing Bonds (Issue 6)	10	10	-	Nil	Nil	No
Zhejiang China Commodities City Group Co., Ltd.'s 2022 Super Short-term Financing Bonds (Issue 7)	10	10	-	Nil	Nil	No

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 (2022) 00023] on May 20, 2022. The Company had an issuer rating of AAA with stable outlook, and the bonds had a rating of AAA.

Shanghai New Century Credit Rating Investment Service Co., Ltd. issued the "Zhejiang China Commodities City Group Co., Ltd. Credit Rating Report" [New Century Enterprise Review (2022) 020228] on June 22, 2022. The Company's main credit rating is AAA. The rating outlook is stable.

6. The implementation and changes 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: RMB10,000

Major indicator	2022	2021	Increase/decrease in the current period as compared to the prior corresponding period (%)	Reasons for change
Net profits attributable to shareholders of the Listed Company with non-recurring items excluded	176,508.76	122,180.80	44.47	Mainly due to the decrease of RMB 229 million YoY in the net profit attributable to shareholders of the listed company million, and the increase of RMB 773 million YoY in non-recurring profits and losses.
Current ratio	42.33%	58.91%	Down 16.58 ppt	
Quick ratio	31.61%	50.12%	Down 18.51 ppt	
Debt-to-asset ratio (%)	52.41	52.83	Down 0.42 ppt	
EBITDA to total debt ratio	0.29	0.32	-9.38	
Interest coverage ratio	5.09	5.85	-12.99	
Cash interest protection multiple	6.60	7.19	-8.15	
EBITDA-to-interest coverage ratio	7.80	7.99	-2.42	
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, 2022, Consolidated & Corporate Income Statements, Consolidated & Corporate Cash Flow Statements, Consolidated & Corporate Statements of Changes in Owner's Equity for 2022 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, 2022 and the operation outcomes and cash flows of the Company for 2022.

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>	

As of December 31, 2022, 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 17,919.07 million, accounting for 56% 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 recoverable amount of the asset or asset group needs to be reviewed, 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.

During the audit process, our procedures for assessing the impairment of non-goodwill long-term assets with a useful life include:

1. Based on our understanding of the business of the Company and its subsidiaries and the provisions of the Accounting Standards for Business Enterprises, evaluate the management's identification of each asset group and its judgment on the signs of impairment of each asset group;
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.

Recognition of revenue from sales of goods

The operating income of the Group mainly comes from the sales of commodities, the use of shops and supporting services for operation, hotel accommodation and catering services, leasing business, etc., among which the revenue from commodity sales accounts for a relatively high proportion.

In 2022, the operating income of the Group was RMB 7,619.69 million, of which the revenue from sales of goods was RMB 5,164.81 million, accounting for 68% of the operating income. 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.

Since revenue is one of the key performance indicators of the Group, there may be an inherent risk that the management of the Group may achieve specific goals or expectations through inappropriate revenue recognition. We identified the revenue recognition of the Group's merchandise sales business as a key audit matter.

For related information, please refer to Note V.38 and Note VII.61 to the Financial Statements.

For the recognition of revenue from sales of goods, our audit procedures mainly include:

1. We have understood and evaluated the design effectiveness of key controls in the management process related to sales of goods business revenue, and tested its operational effectiveness;
2. We select a sample to check the sales contract, identify the terms and conditions of the contract related to the transfer of control of the sold goods, and evaluate whether the timing of the revenue recognition of your group complies with the requirements of the Accounting Standards for Business Enterprises;
3. We obtained and carried out detailed testing by means of sampling, and reviewed supporting documents related to revenue recognition, including orders, receipt records, logistics documents, bank receipts, invoices, and import and export data of the electronic port data system, etc.;
4. According to the characteristics and nature of customer transactions, we select samples to confirm the amount of sales revenue and the balance of receivables to customers;
5. We analyzed fluctuations in revenue, cost, and gross profit, and compared them with the gross profit margin of companies in the same industry to evaluate the rationality of changes in revenue-related indicators;
6. We conducted background checks and visits to important customers in the sales of goods;
7. We used a sampling method to check the sales revenue confirmed before and after the balance sheet date to supporting documents such as customer receipts to assess whether the sales revenue is recognized in the appropriate period; and
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 do 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 sustainability management 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) (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

April 10, 2023

II. Financial statements

Consolidated Balance Sheet

December 31, 2022

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

Unit: RMB

Item	Note	December 31, 2022	December 31, 2021
Current assets:			
Cash and cash equivalents		1,991,298,971.30	4,831,468,386.25
Held-for-trading financial assets		62,331,000.66	75,375,083.20
Accounts receivable		210,750,725.36	185,237,530.89
Prepayments		606,057,048.25	875,167,709.48
Other receivables		419,398,092.62	1,355,924,282.96
In which: interest receivable		-	92,249,275.44
Inventory		1,330,351,243.87	1,327,402,567.99
Other current assets		634,209,950.69	248,662,219.40
Total current assets		5,254,397,032.75	8,899,237,780.17
Non-current assets:			
Debt investments		48,079,561.64	-
Long-term receivables		278,299,600.73	222,307,363.40
Long-term equity investment		6,033,472,919.92	5,772,455,242.84
Other equity instruments investment		499,200,803.85	642,187,968.77
Other non-current financial assets		1,500,307,562.13	1,524,819,255.41
Property investment		2,851,643,180.42	2,973,936,400.46
Fixed assets		5,220,882,784.47	5,078,590,929.75
Construction in progress		2,860,064,818.36	1,090,577,963.27
Right-of-use assets		217,702,910.81	225,347,077.14
Intangible assets		6,461,849,690.36	4,043,564,662.35
Development expenses		4,660,995.87	6,359,814.02
Goodwill		284,916,367.87	-
Long-term prepaid expenses		306,925,970.89	188,184,376.43
Deferred income tax assets		150,346,801.31	135,737,028.89
Other non-current assets		138,253,316.00	211,329,650.45
Total non-current assets		26,856,607,284.63	22,115,397,733.18
Total assets		32,111,004,317.38	31,014,635,513.35
Current liabilities:			
Short-term borrowings		1,059,287,361.11	942,736,046.04
Accounts payable		1,191,314,404.15	493,360,429.02
Advances from customers		885,993,269.48	153,566,311.13
Contract liabilities		3,991,038,021.56	4,058,419,224.84
Payroll payable		183,135,314.51	243,964,755.38
Tax payable		214,998,424.41	559,496,547.34
Other payables		1,325,596,105.43	1,908,742,835.15
Non-current liabilities due within one year		86,852,293.01	3,664,241,923.08
Other current liabilities		3,473,907,027.00	3,081,384,800.50
Total current liabilities		12,412,122,220.66	15,105,912,872.48
Non-current liabilities:			
Long-term borrowings		404,500,000.00	771,250,000.00
Bonds payable		3,497,416,819.75	-
Lease liabilities		206,623,735.97	205,942,673.93
Estimated liabilities		110,620,306.10	110,620,306.10
Deferred income		103,582,129.94	78,170,103.62
Deferred income tax liabilities		95,042,722.31	111,897,463.42
Total non-current liabilities		4,417,785,714.07	1,277,880,547.07
Total liabilities		16,829,907,934.73	16,383,793,419.55
Owners' equity (or shareholders' equity)			
Paid-in capital (share capital)		5,486,074,176.00	5,491,274,176.00
Capital reserve		1,651,146,033.96	1,631,509,114.96
Less: treasury stocks		119,483,675.00	137,494,800.00
Other comprehensive income		-24,008,473.60	60,850,735.02
Surplus reserve		1,616,083,136.73	1,505,209,795.50
General risk reserve		1,038,991.13	-
Undistributed profits		6,651,440,591.35	6,059,496,846.85
Total equity attributable to owners (shareholders) of the parent company		15,262,290,780.57	14,610,845,868.33
Minority interest		18,805,602.08	19,996,225.47
Total owners' equity (or shareholders' equity)		15,281,096,382.65	14,630,842,093.80
Total liabilities and owners' equity (or shareholders' equity)		32,111,004,317.38	31,014,635,513.35

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

Balance Sheet of Parent Company

December 31, 2022

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

Unit: RMB

Item	Note	December 31, 2022	December 31, 2021
Current assets:			
Cash and cash equivalents		1,439,042,451.56	4,327,117,133.34
Held-for-trading financial assets		-	1,484.70
Accounts receivable		22,032,390.71	23,629,682.69
Prepayments		11,055,123.31	11,213,809.02
Other receivables		329,607,469.39	1,207,086,885.99
In which: interest receivable		-	92,249,275.44
Inventory		4,599,032.34	7,308,939.20
Other current assets		3,650,862,939.52	3,282,706,248.36
Total current assets		5,457,199,406.83	8,859,064,183.30
Non-current assets:			
Long-term receivables		36,763,731.53	41,668,837.64
Long-term equity investment		9,210,422,313.34	8,246,000,020.80
Other equity instruments investment		499,200,803.85	642,187,968.77
Other non-current financial assets		142,053,056.97	179,632,207.32
Property investment		2,803,007,146.68	2,533,374,736.14
Fixed assets		4,122,738,826.73	4,333,691,395.01
Construction in progress		2,318,993,733.00	936,297,029.41
Right-of-use assets		109,853,155.63	118,591,035.63
Intangible assets		5,872,460,683.86	3,878,208,204.47
Long-term prepaid expenses		275,795,256.99	165,720,500.56
Deferred income tax assets		137,378,229.19	122,565,730.38
Other non-current assets		-	65,607,343.55
Total non-current assets		25,528,666,937.77	21,263,545,009.68
Total assets		30,985,866,344.60	30,122,609,192.98
Current liabilities:			
Short-term borrowings		1,059,287,361.11	942,736,046.04
Accounts payable		822,773,769.51	349,268,967.90
Advances from customers		861,860,467.12	104,805,243.57
Contract liabilities		3,032,044,768.16	3,029,673,931.75
Payroll payable		139,946,321.85	203,724,767.47
Tax payable		188,723,169.42	527,641,861.33
Other payables		1,075,413,151.71	1,596,947,195.91
Non-current liabilities due within one year		64,688,676.55	3,656,595,072.25
Other current liabilities		3,726,398,088.04	3,452,451,678.36
Total current liabilities		10,971,135,773.47	13,863,844,764.58
Non-current liabilities:			
Long-term borrowings		404,500,000.00	771,250,000.00
Bonds payable		3,497,416,819.75	-
Lease liabilities		110,999,791.68	113,367,062.05
Estimated liabilities		110,620,306.10	110,620,306.10
Deferred income		103,582,129.94	78,170,103.62
Deferred income tax liabilities		13,046,676.14	43,870,176.87
Total non-current liabilities		4,240,165,723.61	1,117,277,648.64
Total liabilities		15,211,301,497.08	14,981,122,413.22
Owners' equity (or shareholders' equity)			
Paid-in capital (share capital)		5,486,074,176.00	5,491,274,176.00
Capital reserve		1,885,778,197.50	1,866,141,278.50
Less: treasury stocks		119,483,675.00	137,494,800.00
Other comprehensive income		-40,818,470.36	66,421,903.33
Surplus reserve		1,616,029,660.90	1,505,156,319.67
Undistributed profits		6,946,984,958.48	6,349,987,902.26
Total owners' equity (or shareholders' equity)		15,774,564,847.52	15,141,486,779.76
Total liabilities and owners' equity (or shareholders' equity)		30,985,866,344.60	30,122,609,192.98

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

Consolidated Income Statement

January-December 2022

Unit: RMB

Item	Note	2022	2021
I. Gross revenue		7,619,693,742.60	6,033,842,972.95
In which: operating revenue		7,619,693,742.60	6,033,842,972.95
II. Gross cost		7,545,489,637.45	5,037,812,165.29
In which: Operating cost		6,452,909,829.96	4,027,543,138.56
Taxes and surcharges		198,907,504.01	161,759,208.82
Sales expenses		197,679,981.09	204,745,974.57
Administrative expenses		529,466,270.71	453,543,427.80
R&D expenses		17,377,161.88	10,308,801.84
Financial expenses		149,148,889.80	179,911,613.70
In which: interest expenses		280,924,664.39	341,313,765.39
Interest income		132,216,250.44	177,964,682.68
Plus: other income		38,802,684.45	23,556,948.01
Investment income (loss is indicated by "-")		1,041,524,864.25	634,227,991.02
In which: income from investment in associates and joint ventures		996,108,417.69	599,180,325.58
Changes in fair value (loss is indicated by "-")		-5,262,476.59	7,231,321.84
Credit impairment loss (loss is indicated by "-")		-1,815,004.95	-7,299,694.67
Income from disposal of assets (loss is indicated by "-")		-941,780.66	76,006.41
III. Operating profit (loss is indicated by "-")		1,146,512,391.65	1,653,823,380.27
Plus: income from non-operating activities		7,499,270.88	5,766,372.46
Less: expenses from non-operating activities		4,204,829.93	2,895,928.76
IV. Profits before tax (loss is indicated by "-")		1,149,806,832.60	1,656,693,823.97
Less: income tax		46,205,700.39	327,525,237.95
V. Net profits (net loss is indicated by "-")		1,103,601,132.21	1,329,168,586.02
(I) Categorized by continuity of operation			
Net profits from continuing operation (net loss is indicated by "-")		1,103,601,132.21	1,329,168,586.02
(II) Categorized by ownership			
1. Net profits attributable to shareholders of the parent company (net loss is indicated by "-")		1,104,719,091.71	1,334,095,906.95
2. Minority interest (net loss is indicated by "-")		-1,117,959.50	-4,927,320.93
VI. Other comprehensive income, net of tax		-84,931,872.51	-17,256,380.07
(I) Other comprehensive income attributable to owners of the parent company, net of tax		-84,859,208.62	-17,298,926.31
1. Other comprehensive income that cannot be reclassified as profits or loss		-107,240,373.69	-15,051,280.51
(3) Changes in fair value of investments in other equity instruments		-107,240,373.69	-15,051,280.51
2. Other comprehensive income that will be reclassified as profits or loss		22,381,165.07	-2,247,645.80
(1) Other comprehensive income that can be transferred into profit and loss under equity method		4,060,531.46	-

(6) Difference arising from the translation of foreign currency financial statements		18,320,633.61	-2,247,645.80
(II) After -tax net of other comprehensive income attributable to minority shareholders		-72,663.89	42,546.24
VII. Total comprehensive income		1,018,669,259.70	1,311,912,205.95
(I) Total comprehensive income attributable to owners of the parent company		1,019,859,883.09	1,316,796,980.64
(II) Total comprehensive income attributable to minority shareholders		-1,190,623.39	-4,884,774.69
VIII. Earnings per share:			
(I) Basic earnings per share		0.20	0.25
(II) Diluted earnings per share		0.20	0.25

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 2022

Unit: RMB

Item	Note	2022	2021
I. Operating revenue		1,941,582,561.02	2,922,125,402.93
Less: Operating cost		937,173,155.53	1,062,881,897.31
Taxes and surcharges		165,751,730.61	132,198,523.20
Sales expenses		198,120,081.31	158,004,638.76
Administrative expenses		269,059,168.76	239,151,835.56
Financial expenses		168,088,031.70	175,493,659.20
In which: interest expenses		281,287,879.72	341,313,765.39
Interest income		122,678,523.33	177,964,682.68
Plus: other income		13,079,397.88	13,716,900.72
Investment income (loss is indicated by "-")		948,235,020.44	598,320,996.73
In which: income from investment in associates and joint ventures		932,395,547.67	544,982,046.87
Changes in fair value (loss is indicated by "-")		-31,735,150.35	-83,904,126.09
Credit impairment loss (loss is indicated by "-")		-288,497.31	-989,960.58
Income from disposal of assets (loss is indicated by "-")		1,019,351.95	-32,610.97
II. Operating profits (loss is indicated by "-")		1,133,700,515.72	1,681,506,048.71
Plus: income from non-operating activities		6,488,569.32	5,508,893.78
Less: expenses from non-operating activities		3,650,112.77	3,187,712.27
III. Profits before tax (loss is indicated by "-")		1,136,538,972.27	1,683,827,230.22
Less: income tax		27,805,559.97	274,307,361.05
IV. Net profits (net loss is indicated by "-")		1,108,733,412.30	1,409,519,869.17
(I) Categorized by continuity of operation (net loss is indicated by "-")		1,108,733,412.30	1,409,519,869.17
V. Other comprehensive income, net of tax		-107,240,373.69	-15,051,280.51
(I) Other comprehensive income that cannot be reclassified as profit or loss		-107,240,373.69	-15,051,280.51
3. Changes in fair value of investments in other equity instruments		-107,240,373.69	-15,051,280.51
VI. Total comprehensive income		1,001,493,038.61	1,394,468,588.66

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

Consolidated Cash Flow Statement
January-December 2022

Unit: RMB

Item	Note	2022	2021
I. Cash flow from operating activities:			
Cash received from sale of goods and rendering of services		8,663,117,389.69	8,099,404,766.59
Cash received for taxes and surcharges refunded		319,401,723.98	-
Other cash receipts relating to operating activities		434,715,976.74	525,408,330.58
Sub-total of cash inflow from operating activities		9,417,235,090.41	8,624,813,097.17
Cash paid for goods and services		6,134,704,401.79	4,655,490,266.98
Cash paid to and on behalf of employees		522,242,510.47	551,082,829.16
Payments of taxes		804,862,955.73	786,973,453.98
Other cash payments relating to operating activities		555,334,508.65	598,184,039.29
Sub-total of cash outflow from operating activities		8,017,144,376.64	6,591,730,589.41
Net cash flow from operating activities		1,400,090,713.77	2,033,082,507.76
II. Cash flow from investing activities:			
Cash received from recovery of investment		990,875,547.75	6,124,327,288.57
Cash received from investment income		162,065,398.30	325,898,607.79
Net cash received from disposal of property, plant and equipment, intangible assets and other long-term assets		13,483,158.58	44,446,864.25
Other cash receipts relating to investing activities		1,259,208,113.00	3,746,899,831.00
Sub-total of cash inflow from investing activities		2,425,632,217.63	10,241,572,591.61
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		4,114,901,826.31	2,042,626,824.44
Cash paid to acquire investments		319,039,459.91	4,915,716,783.24
Net cash paid by acquiring subsidiaries and other business units		312,616,964.11	-
Other cash paid related to investing activities		41,772,885.00	1,632,462,005.00
Sub-total of cash outflow from investing activities		4,788,331,135.33	8,590,805,612.68
Net cash flow from investing activities		-2,362,698,917.70	1,650,766,978.93
III. Cash flow from financing activities:			
Cash received for investment taking		-	13,992,600.00
Including: cash received by subsidiaries from absorbing minority shareholders' investment		-	8,400,000.00
Cash received from borrowings		14,419,431,088.06	12,319,250,000.00
Sub-total of cash inflow from financing activities		14,419,431,088.06	12,333,242,600.00

Cash paid for debts repayment		14,774,484,040.95	13,344,000,000.00
Cash paid for distribution of dividends or profits or payment of interest		652,035,197.63	650,819,017.71
Other cash paid related to financing activities		50,128,807.59	40,358,783.07
Sub-total of cash outflow from financing activities		15,476,648,046.17	14,035,177,800.78
Net cash flow from financing activities		-1,057,216,958.11	-1,701,935,200.78
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-5,442,221.79	-8,088,832.07
V. Net increase in cash and cash equivalents		-2,025,267,383.83	1,973,825,453.84
Plus: opening balance of cash and cash equivalents		4,006,468,325.47	2,032,642,871.63
VI. Closing balance of cash and cash equivalents		1,981,200,941.64	4,006,468,325.47

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 2022

Unit: RMB

Item	Note	2022	2021
I. Cash flow from operating activities:			
Cash received from sale of goods and rendering of services		2,757,913,722.02	3,748,589,385.84
Cash received for taxes and surcharges refunded		248,723,587.20	-
Other cash receipts relating to operating activities		223,084,596.77	349,377,861.57
Sub-total of cash inflow from operating activities		3,229,721,905.99	4,097,967,247.41
Cash paid for goods and services		562,286,375.43	571,281,536.76
Cash paid to and on behalf of employees		281,130,313.54	353,270,873.06
Payments of taxes		710,961,271.08	691,067,319.78
Other cash payments relating to operating activities		403,432,298.40	674,684,402.42
Sub-total of cash outflow from operating activities		1,957,810,258.45	2,290,304,132.02
Net cash flow from operating activities		1,271,911,647.54	1,807,663,115.39
II. Cash flow from investing activities:			
Cash received from recovery of investment		1,095,641,009.05	6,200,000,000.00
Cash received from investment income		128,261,072.18	327,497,449.71
Net cash received from disposal of property, plant and equipment, intangible assets and other long-term assets		4,820,113.40	42,475,671.66
Net cash received from disposal of subsidiaries and other business units		9,380,000.00	-
Other cash receipts relating to investing activities		1,221,892,831.00	3,746,899,831.00
Sub-total of cash inflow from investing activities		2,459,995,025.63	10,316,872,952.37
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		3,579,149,669.56	1,973,252,137.98
Cash paid to acquire investments		1,214,422,943.13	5,193,070,000.00
Other cash paid related to investing activities		-	1,632,462,005.00
Sub-total of cash outflow from investing activities		4,793,572,612.69	8,798,784,142.98
Net cash flow from investing activities		-2,333,577,587.06	1,518,088,809.39
III. Cash flow from financing activities:			
Cash received for investment taking		-	5,592,600.00
Cash received from borrowings		14,419,431,088.06	12,319,250,000.00
Sub-total of cash inflow from financing activities		14,419,431,088.06	12,324,842,600.00
Cash paid for debts repayment		14,774,484,040.95	13,344,000,000.00

Cash paid for distribution of dividends or profits or payment of interest		652,035,197.63	650,819,017.71
Other cash paid related to financing activities		26,540,591.93	14,525,871.43
Sub-total of cash outflow from financing activities		15,453,059,830.51	14,009,344,889.14
Net cash flow from financing activities		-1,033,628,742.45	-1,684,502,289.14
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-	-
V. Net increase in cash and cash equivalents		-2,095,294,681.97	1,641,249,635.64
Plus: opening balance of cash and cash equivalents		3,527,117,072.56	1,885,867,436.92
VI. Closing balance of cash and cash equivalents		1,431,822,390.59	3,527,117,072.56

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

Statement of Changes in Consolidated Owners' Equity
January-December 2022

Unit: RMB

Item	2022									Minority interest	Total owners' equity
	Equity attributable to owners of the parent company										
	Paid-in capital (share capital)	Capital reserve	Less: treasury stocks	Other comprehensive income	Surplus reserve	General risk reserve	Undistributed profits	Sub-total			
I. Balance at the end of previous year	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	
II. Opening balance of the current year	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	
III. YoY change (decrease is indicated by "-")	-5,200,000.00	19,636,919.00	-18,011,125.00	-84,859,208.62	110,873,341.23	1,038,991.13	591,943,744.50	651,444,912.24	-1,190,623.39	650,254,288.85	
(I) Total comprehensive income	-	-	-	-84,859,208.62	-	-	1,104,719,091.71	1,019,859,883.09	-1,190,623.39	1,018,669,259.70	
(II) Owners' contribution to and reduction in capital	-5,200,000.00	19,636,919.00	-18,011,125.00	-	-	-	-	32,448,044.00	-	32,448,044.00	
3. Amount of share-based payment into owner's equity	-5,200,000.00	19,636,919.00	-18,011,125.00	-	-	-	-	32,448,044.00	-	32,448,044.00	
(III) Profits distribution	-	-	-	-	110,873,341.23	1,038,991.13	-512,775,347.21	-400,863,014.85	-	-400,863,014.85	
1. Withdrawal of surplus reserve	-	-	-	-	110,873,341.23	-	-110,873,341.23	-	-	-	

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2. Withdrawal of provision for general risks	-	-	-	-	-	1,038,991.13	-1,038,991.13	-	-	-
3. Distribution to owners (or shareholders)	-	-	-	-	-	-	-400,863,014.85	-400,863,014.85	-	-400,863,014.85
IV. Closing balance of the current period	5,486,074,176.00	1,651,146,033.96	119,483,675.00	-24,008,473.60	1,616,083,136.73	1,038,991.13	6,651,440,591.35	15,262,290,780.57	18,805,602.08	15,281,096,382.65

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		
I. 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. YoY change (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

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 2022

Unit: RMB

Item	2022						
	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	5,491,274,176.00	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
II. Opening balance of the current year	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
III. YoY change (decrease is indicated by "-")	-5,200,000.00	19,636,919.00	-18,011,125.00	-107,240,373.69	110,873,341.23	596,997,056.22	633,078,067.76
(I) Total comprehensive income				-107,240,373.69		1,108,733,412.30	1,001,493,038.61
(II) Owners' contribution to and reduction in capital	-5,200,000.00	19,636,919.00	-18,011,125.00				32,448,044.00
3. Amount of share-based payment into owner's equity	-5,200,000.00	19,636,919.00	-18,011,125.00				32,448,044.00
4. Others	-	-	-				
(III) Profits distribution					110,873,341.23	-511,736,356.08	-400,863,014.85
1. Withdrawal of surplus reserve					110,873,341.23	-110,873,341.23	
2. Distribution to owner (or shareholders)						-400,863,014.85	-400,863,014.85
IV. Closing balance of the current period	5,486,074,176.00	1,885,778,197.50	119,483,675.00	-40,818,470.36	1,616,029,660.90	6,946,984,958.48	15,774,564,847.52

Item	2021						
	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	5,489,914,176.00	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
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. YoY change (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

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 City, Zhejiang Province.

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.

These financial statements were approved for release by the Company's board of directors on April 10, 2023. 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 reporting period, 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 provision was made in accordance with relevant provisions.

2. Going concern

Applicable Not applicable

The Company prepared financial statements on the basis of continuous operation.

On December 31, 2022, after deducting the contract liabilities/advance receipts that the Group will use services/commodities to settle revenue to be recognized in the future, and the prepaid accounts that the Group will receive in the future for goods/services, the Group's current liabilities exceeded current assets by RMB 2,886,750,945.12. The Board of Directors of the Company comprehensively considered the following sources of funds available to the Group: 1. The Group's expected net cash inflow from operating activities within the next 12 months; 2. As of December 31, 2022, the Group's unused bank credit line of was RMB 4,745,500,000.00, of which RMB 650,000,000.00 needed to be renewed within the next 12 months. The board of directors of the Company is convinced that the available credit line can be re-approved when it expires based on past experience and good reputation; 3. In view of the credit history of the Group, other available financing channels from banks and other financial institutions; 4. , The Group's controlling shareholder CCCH has promised to continue to provide sufficient financial support in the foreseeable future.

After evaluation, the board of directors of the Company believed that the Group has sufficient resources to continue operations in the foreseeable future period of not less than 12

months from the end of the reporting period. Therefore, the Board of Directors of the Company continued to prepare the Group's 2022 annual financial statements on a going concern basis.

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 Group 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 fiscal year of the Group starts from January 1 until December 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.

The subsidiaries, joint ventures and associates of the Group determine their functional currencies at their own discretion based on the main economic environments in their places of businesses and convert all amounts into RMB while preparing financial statements.

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.

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.

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 profits 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.

Without loss of control, changes in minority shareholders' equity are regarded as equity transactions.

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 (conversion shall be at the spot rate on the date of the transaction, unless exchange rate fluctuations make such conversion inappropriate). 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.

Foreign currency cash flows and cash flows of overseas subsidiaries are converted using the average exchange rate for the period in which the cash flows occur (unless exchange rate fluctuations make the exchange rate inappropriate, the spot exchange rate on the day the cash flows occur) is used for conversion. 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 profits 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 profits 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.

The factors reflected in the Group's method of measuring expected credit losses of financial instruments include: unbiased probability-weighted average amount determined by evaluating a series of possible outcomes; time value of money; no unnecessary additional cost or effort on the balance sheet date Reasonable and evidence-based information that is readily available about past events, current conditions and forecasts of future economic conditions.

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. 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

Please refer to Notes X. Risks Associated with Financial Instruments

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 profits 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 profits or losses and other comprehensive income realized by the investees to be enjoyed or assumed. The share in the investee's net profits 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 profits 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 profits 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 profits 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 profits or losses, other comprehensive income and profit distribution will be recognized in the profit or loss for the current period pro rata.

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 property investments 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
Buildings and structures	20-30 years	4%	3.2%-4.8%
Land use right	40-50 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.

The Group reviews and makes adjustment to, if necessary, the service life, estimated residual value and depreciation method of its fixed assets at least at the end of each year.

(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 are 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 and lands.

On the commencement date of the lease term, the Group recognizes its right to use the leased asset during the lease term as a right-of-use asset, which is initially measured at cost. Costs of right-of-use assets include: 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. If the Group re-

measures lease liabilities in accordance with the relevant provisions of the lease standards, the book value of the right-of-use asset shall be adjusted accordingly. 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.

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 and software copyright	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.

On the balance sheet date, the Group judges whether there is any sign of possible impairment of assets. If there is any sign of impairment, the Group will estimate its recoverable amount and conduct an impairment test; Uncertain intangible assets and intangible assets not yet ready for use shall be tested for impairment at least at the end of each year, no matter whether there is any sign of impairment.

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.

In terms of goodwill impairment tests, the book value of the goodwill formed in the business merger shall be allocated to the relevant asset group under a reasonable method from the date of acquisition; if it is difficult to allocate to the relevant asset group, it shall be allocated to the relevant combination of asset groups. The relevant asset group or asset group combination is an asset group or asset group combination that can benefit from the synergistic effect of a business combination, and is not larger than the reporting segment determined by the Group.

When an impairment test on a related asset group or combination of asset groups that contains goodwill is made, if there are indications of impairment for an asset group or combination of asset groups related to goodwill, the asset group or combination of asset groups that does not contain goodwill shall be tested for impairment first, to calculate the recoverable amount and recognize the corresponding impairment loss. Then, an impairment test is conducted on the asset group or asset group combination containing goodwill to compare its book value with the recoverable amount. If the recoverable amount is lower than the book value, the impairment loss amount will be first offset and apportion to the book value of goodwill in the asset group or asset group combination. Then the book value of other assets shall be offset proportionally according to the proportion of the book value of other assets except goodwill in the asset group or asset group combination.

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 compensations**(1). Accounting treatment of short-term compensations**

Applicable Not applicable

The short-term compensations 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

Where 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. Lease payments include fixed payments and substantial fixed payments after deduction of lease incentives, variable lease payments depending on indexes or ratios, payments expected to be made based on security balances, and also include the exercise price of the purchase option or payments to exercise the option to terminate the lease, provided that the Group is reasonably certain that the option will be exercised or that the lease period reflects that the Group will exercise the option to terminate the lease.

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 commencement date of the lease term, the Group increases the book amount of the lease liability when recognizing interest, and decreases the carrying amount of the lease liability when paying the lease payment. When the actual fixed payment amount changes, the expected payable amount of the guarantee residual value changes, the index or ratio used to determine the lease payment amount changes, the evaluation result of the purchase option, the lease renewal option or the termination option or the actual exercise situation changes, the Group will re-measure the lease liabilities according to the current value of the changed lease payment amount, and adjust the book value of the right-of-use assets accordingly.

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

The Group's assets related to contract costs include contract acquisition costs and contract performance costs. According to their liquidity, they are presented in inventory, other current assets and other non-current assets respectively.

If the incremental cost incurred by the Group to acquire a contract is expected to be recoverable, it is recognized as an asset as the contract acquisition cost, unless the amortization period of the asset does not exceed one year.

If the cost incurred by the Group for the performance of the contract does not apply to the scope of the relevant standards such as inventory, fixed assets or intangible assets, and meets the following conditions at the same time, it is recognized as an asset as the cost of contract performance:

(1) The cost is directly related to a current or expected contract, including direct labor, direct materials, manufacturing expenses (or similar expenses), costs clearly borne by the customer, and other costs incurred only because of the contract;

(2) The cost increases the resources that the enterprise will use to fulfill the contract obligations in the future;

(3) The cost is expected to be recoverable.

The Group amortizes the assets related to contract costs on the same basis as the revenue recognition related to the assets, and includes them in the current profit and loss.

For assets related to contract costs, if the book value is higher than the difference between the following two items, the Group will make provision for impairment for the excess part and recognize it as asset impairment loss:

(1) The remaining consideration that the enterprise expects to obtain due to the transfer of goods or services related to the asset;

(2) Estimated costs to be incurred for the transfer of the relevant goods or services.

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

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.

(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

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.

As a tenant

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

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. The capitalized initial direct expenses shall be amortized on the same basis recognized with the rental income during the lease period, and shall be included in the current profit and loss in installments.

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.

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.

Goodwill impairment

The Group tests goodwill for impairment at least annually. This requires estimating the present value of the future cash flows of the asset group or combination of asset groups to which the goodwill is allocated. When estimating the present value of future cash flows, the Group needs to estimate the cash flows generated by future asset groups or combinations of asset groups, and at the same time select an appropriate discount rate to determine the present value of future cash flows.

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.

Lessee incremental borrowing interest rate

For leases where the interest rate implicit in the lease cannot be determined, the Group uses the lessee's incremental borrowing rate as the discount rate to calculate the present value of the lease payments. When determining the incremental borrowing rate, the Group takes the observable interest rate as the reference basis for determining the incremental borrowing rate according to the economic environment it is in. On this basis, the Group adjusts the reference

interest rate according to its own situation, the underlying asset situation, the lease term, the amount of lease liabilities and other specific conditions of the lease business to obtain the applicable incremental borrowing rate.

44. Changes in important accounting policies and accounting estimates

(1). Changes in important accounting policies

Applicable Not applicable

(2). Changes in important accounting estimates

Applicable Not applicable

(3). From 2022, the first implementation of new accounting standards or standard interpretations would involve adjustments to the financial statements at the beginning of the first implementation year

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	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 for corporate income tax; European Huajie Development Co., Ltd. is registered in Prague, Czech Republic, so it is subject to the corporate income tax rate of 19%; Yiwu China Commodities City (Hong Kong) International Trade Co., Ltd. is registered in Hong Kong Special Administrative Region, so it is subject to the Hong Kong income tax rate, 16.50%; BETTER SILK ROAD FZE is registered in Dubai, so it is free from corporate income tax.
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 (Spain) Co., Ltd.	25.00
European Huajie Investment Development Co., Ltd.	19.00
Yiwu China Commodities City (Hong Kong) International Trade Co., Ltd.	16.50
Yiwu China Commodities City (Germany) Co., Ltd.	15.00
BETTER SILK ROAD FZE	0

2. Tax preference

Applicable Not applicable

According to the Announcement on the Filing of High-tech Enterprises recognized by Zhejiang Provincial Accreditation Agency in 2022 issued by the Office of the National High-tech Enterprise Accreditation Management Leading Group, Yiwu China Small Commodities City Big Data Co., Ltd. has been listed in the filing list of high-tech enterprises recognized by Zhejiang Provincial Accreditation Agency in 2022 and passed the recognition of high-tech enterprises. The Certificate number is GR202233004297, date of issue: December 24, 2022, valid period: three years. From January 1, 2022 to December 31, 2024, Yiwu China Commodities City Big Data Co., Ltd. was subject to a reduced corporate income tax rate of 15%.

3. Others

Applicable Not applicable

VII. Notes to items in consolidated financial statements

1. Cash and cash equivalents

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Cash on hand	220,471.11	154,264.94
Bank deposits	1,990,327,169.17	4,831,258,722.95
Other cash and cash equivalents	751,331.02	55,398.36
Total	1,991,298,971.30	4,831,468,386.25
In which: amount deposited abroad	76,203,839.82	38,554,320.18

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	62,331,000.66	75,375,083.20
Among them:		
Bank financing products	38,679,435.66	25,000,000.00
Equity instrument investment	23,651,565.00	50,375,083.20
Total	62,331,000.66	75,375,083.20

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	
In which: sub-items	
Within 1 year	211,121,943.94
Within 1 year	211,121,943.94
1 to 2 years	8,026,629.17
2 to 3 years	100,234.00
Over 3 years	-
Total	219,248,807.11

(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	6,261,907.10	2.86	6,261,907.10	100.00	-	97,219,393.59	50.71	6,261,907.10	6.44	90,957,486.49
Among them:										
Lease receivables	6,261,907.10	2.86	6,261,907.10	100.00	-	6,261,907.10	3.27	6,261,907.10	100.00	-
Trade receivables	-	-	-	-	-	90,957,486.49	47.44	-	-	90,957,486.49
Accounts receivable for which bad debt provision is made by group	212,986,900.01	97.14	2,236,174.65	1.05	210,750,725.36	94,491,809.69	49.29	211,765.29	0.22	94,280,044.40
Among them:										
Accounts receivable for which the bad debts are provided by combination of credit risk characteristics	212,986,900.01	97.14	2,236,174.65	1.05	210,750,725.36	94,491,809.69	49.29	211,765.29	0.22	94,280,044.40
Total	219,248,807.11	/	8,498,081.75	/	210,750,725.36	191,711,203.28	/	6,473,672.39	/	185,237,530.89

Accounts receivable for which bad debt provision is made individually:

√Applicable □Not applicable

Unit: RMB

Name	Closing balance			Reason for provision
	Book balance	Bad debt provision	Provision ratio (%)	
Lease receivables	6,261,907.10	6,261,907.10	100.00	Due to deterioration of operating conditions, expected not to be recovered
Total	6,261,907.10	6,261,907.10	100.00	/

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 December 2022		
	Estimated book balance in default	Expected credit loss rate (%)	Expected credit loss in whole duration
Within 1 year	211,121,943.94	0.99	2,096,697.81

1 - 2 years	1,764,722.07	6.99	123,286.17
2 -3 years	100,234.00	16.15	16,190.67
Over 3 years	-	100.00	-
Total	212,986,900.01		2,236,174.65

(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	6,473,672.39	2,439,030.53	414,621.17	8,498,081.75
Total	6,473,672.39	2,439,030.53	414,621.17	8,498,081.75

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	24,183,149.50	11.03	240,168.10
Total	24,183,149.50	11.03	240,168.10

Other statements

Nil

(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 age**√Applicable Not applicable

Unit: RMB

Account age	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	600,114,288.07	99.02	868,252,359.56	99.21
1 to 2 years	5,252,760.18	0.87	6,212,572.92	0.71
2 to 3 years	240,000.00	0.04	602,777.00	0.07
Over 3 years	450,000.00	0.07	100,000.00	0.01
Total	606,057,048.25	100	875,167,709.48	100

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

Nil

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

Debtor	Closing balance	Proportion in total closing balance of prepayments (%)
Binzhou Yellow River Oasis Agricultural Development Co., Ltd.	58,030,560.00	9.57
OPERADORA Y PROCESADORA DE PRODUCTOS MARINOS OMARSA S.A.	46,604,703.62	7.69
CAMAR-EXPO S.A	42,928,301.09	7.08
PROCESADORA DE MARISCOS DE EL ORO PROMARO S.A.	33,439,879.66	5.52
Sociedad Nacional de Galapagos C.A. SONGA	29,139,016.58	4.81
Total	210,142,460.95	34.67

Other statements

Nil

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
Other receivables	419,398,092.62	1,263,675,007.52
Total	419,398,092.62	1,355,924,282.96

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
Total	-	92,249,275.44

(2). Significant overdue interest

Applicable 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	
In which: sub-items	
Within 1 year	53,134,184.05
Within 1 year	53,134,184.05
1 to 2 years	12,295,130.76
2 to 3 years	341,676,912.95
Over 3 years	16,433,656.30
Bad debt provision for other receivables	-4,141,791.44
Total	419,398,092.62

(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	323,786,912.09	1,103,178,748.00
Withholdings and deposits	84,610,870.01	125,377,518.60
Receivables from export tax rebate	10,041,570.82	34,759,474.84
Reserve	958,739.70	359,266.08
Total	419,398,092.62	1,263,675,007.52

(3). Bad debt provision√Applicable Not applicable

Unit: RMB

Bad debt provision	Stage 1	Stage 2	Stage 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 at January 1, 2022	4,355,084.46			4,355,084.46
Balance as of January 1, 2022 in current period				
Provision made in the current period	130,607.13			130,607.13
Current reversal	340,011.54			340,011.54
Current write-off	3,888.61			3,888.61
Balance as of December 31, 2022	4,141,791.44			4,141,791.44

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	4,355,084.46	130,607.13	340,011.54	3,888.61	4,141,791.44
Total	4,355,084.46	130,607.13	340,011.54	3,888.61	4,141,791.44

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

Unit: RMB

Item	Amount written-off
Other receivables actually written off	3,888.61

Of which, important write-offs of other receivables:

□Applicable √Not applicable

Notes on the write-off of other receivables:

□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 Handing Shangbo Real Estate Co., Ltd.	Financial assistance	207,750,200.00	2-3 years	49.05	-
Yiwu Tonghui Shangbo Real Estate Co., Ltd.	Financial assistance	116,036,712.09	2-3 years	27.40	-
Yiwu Municipal Bureau of Finance	Land security deposit	34,270,272.36	Within 1 year	8.09	-
Yiwu Taxation Bureau, State Administration of Taxation	Export tax rebate	10,041,570.82	Within 1 year	2.37	-
Yiwu Shengran Trading Co., Ltd.	Advance payment	3,532,000.00	Within 1 year	0.83	-
Total	/	371,630,755.27	/	87.74	-

(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 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	555,462.87	-	555,462.87	723,775.34	-	723,775.34
Finished goods	212,470,958.56	-	212,470,958.56	75,079,555.38	-	75,079,555.38
Work-in-progress materials	2,445,689.69	-	2,445,689.69	4,217,610.61	-	4,217,610.61
Development cost	67,907,950.27	28,303,338.06	39,604,612.21	347,123,927.41	28,303,338.06	318,820,589.35
Development products	1,075,274.520.54	-	1,075,274.520.54	928,561,037.31	-	928,561,037.31
Total	1,358,654,581.93	28,303,338.06	1,330,351,243.87	1,355,705,906.05	28,303,338.06	1,327,402,567.99

(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, 2022, the inventory with a book value of RMB 35,797,443.87 (December 31, 2021: RMB 35,797,443.87) was formed by capitalization of borrowing costs.

(4). Amortization of contract performance cost during the current periodApplicable √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	279,215,977.14	69,696,080.84	348,912,057.98	-
Total	347,123,927.41	69,696,080.84	348,912,057.98	67,907,950.27

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

Item	Opening balance	Increase in the current period	Decrease in the current period	Other transfer-out	Closing balance
Haicheng Phase I Business Street	915,616,130.79	-	-	-	915,616,130.79
Haicheng Phase II Business Street	-	348,912,057.98	189,253,668.23	-	159,658,389.75
Shuangchuang Building	12,944,906.52	-	1,405,473.53	11,539,432.99	-
Total	928,561,037.31	348,912,057.98	190,659,141.76	11,539,432.99	1,075,274,520.54

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

Nil

13. Other current assets

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Payment business reserve	367,484,914.87	-
To-be-deducted input tax	146,697,598.28	234,080,141.55
Advance income tax	113,127,305.76	-
To-be-certified input tax	5,348,152.36	4,357,934.03
Contract acquisition cost	-	7,629,349.00
Entrusted loans to the market traders	1,737,479.42	2,780,294.82
Less: bad debt provision for entrusted loans	-185,500.00	-185,500.00
Total	634,209,950.69	248,662,219.40

Other statements

Nil

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

Applicable Not applicable

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment Provision	Book value	Book balance	Impairment Provision	Book value
Entrusted Loans	48,079,561.64	-	48,079,561.64	-	-	-
Total	48,079,561.64	-	48,079,561.64	-	-	-

(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	
Financial assistance receivable from joint ventures	269,877,115.20	-	269,877,115.20	214,752,001.51	-	214,752,001.51	
Guarantee deposit	8,422,485.53	-	8,422,485.53	7,555,361.89	-	7,555,361.89	
Total	278,299,600.73	-	278,299,600.73	222,307,363.40	-	222,307,363.40	/

(2). Bad debt provisionApplicable 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 provision
		Additional investment	Decrease in investment	Investment profits or losses recognized with the equity method	Other comprehensive income Adjust	Declared a cash dividend or profit		
1. Joint ventures								
Yiwu Shanglv	383,668,354.21	-	-	13,304,094.72	-	-	396,972,448.93	-
Yiwu Rongshang Real Estate Co., Ltd.	217,387,537.94	-	-	429,128,964.52	-	580,865,600.00	65,650,902.46	-
Yiwu Chuangcheng Real Estate	88,063,325.80	-	-	134,862,766.92	-	194,476,800.00	28,449,292.72	-
Others	60,140,520.92	-	-	50,910,854.11	-	-	111,051,375.03	3,327,216.16
Sub-total	749,259,738.87	-	-	628,206,680.27	-	775,342,400.00	602,124,019.14	3,327,216.16
2. Associates								
Hangzhou Binjiang Shangbo Property Development Co., Ltd.	34,476,229.08	-	24,500,000.00	3,893,136.86	-	13,869,365.94	-	-
Huishang Micro-finance	82,824,696.64	-	6,210,000.00	1,595,283.18	-	-	78,209,979.82	-
Yiwu Huishang Redbud Equity Investment Co., Ltd.	70,996,992.21	-	-	9,254,883.12	-	-	80,251,875.33	-
Chouzhou Financial Lease	426,020,849.24	-	-	63,184,700.67	-	-	489,205,549.91	-
Yiwu China Commodities City Investment Management Co., Ltd.	9,508,049.22	-	-	-	-	-	9,508,049.22	9,508,049.22
Yiwu China Commodities City Fuxing Investment Center (Limited Liability Partnership)	102,918,559.00	-	-	-	-	-	102,918,559.00	-
Pujiang Lvgu Property Co., Ltd.	459,281,437.25	-	-	7,758,159.75	-	88,200,000.00	378,839,597.00	-

Yiwu China Commodities City Property Development Co., Ltd.	2,756,938,444.33	-	-	228,542,250.22	-	-	2,985,480,694.55	-
Yiwu Hongyi Equity Investment Fund Partnership	887,872,262.46	-	-	57,848,377.09	-78,554.53	-	945,642,085.02	-
Zhejiang Zhijie Yuangang International Supply Chain Technology Co., Ltd.	-	150,000,000.00	-	-4,436,560.67	-	-	145,563,439.33	-
Others	205,193,249.92	18,970,493.87	-	261,507.20	4,139,085.99	-	228,564,336.98	-
Sub-total	5,036,030,769.35	168,970,493.87	30,710,000.00	367,901,737.42	4,060,531.46	102,069,365.94	5,444,184,166.16	9,508,049.22
Total	5,785,290,508.22	168,970,493.87	30,710,000.00	996,108,417.69	4,060,531.46	877,411,765.94	6,046,308,185.30	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, CCCF, 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").

CCCF, 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. CCCF also contributed RMB 9.8 million, 49% of total shares, to jointly establish Yiwu China Commodities 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 CCCF.

As a limited partner of Shangfu Chuangzhi Fund, CCCF has subscribed and paid in a capital contribution of RMB 617.51 million. Since the capital contribution was guaranteed by Fuxing's fixed income, it was recognized as other non-current financial assets. The above paid-in capital

contribution made by CCCF 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, 2022, 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.	499,200,803.85	642,187,968.77
Total	499,200,803.85	642,187,968.77

(2). Non-trading equity instruments investmentApplicable √Not applicable

Other notes:

Applicable √Not applicable**19. Other non-current financial assets**√Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
PE investment	1,242,537,387.23	1,263,329,797.13
Unlisted equity investment	210,030,495.82	213,607,388.98
NEEQ equity investment	47,739,679.08	47,882,069.30
Total	1,500,307,562.13	1,524,819,255.41

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	3,062,389,558.31	438,760,984.63	3,501,150,542.94
2. Increase in the current period	8,520,184.69	3,019,248.30	11,539,432.99
(2) Inventory/fixed assets/construction in progress changed into property investment	8,520,184.69	3,019,248.30	11,539,432.99
3. Decrease in the current period	4,183,242.34	-	4,183,242.34
(1) Differences in final settlement of completion	4,183,242.34	-	4,183,242.34
4. Closing balance	3,066,726,500.66	441,780,232.93	3,508,506,733.59
II. Accumulated depreciation and accumulated amortization			
1. Opening balance	445,818,997.23	81,395,145.25	527,214,142.48
2. Increase in the current period	118,346,091.24	11,303,319.45	129,649,410.69
(1) Provision or amortization	118,346,091.24	11,303,319.45	129,649,410.69
3. Decrease in the current period	-	-	-
4. Closing balance	564,165,088.47	92,698,464.70	656,863,553.17
III. Depreciation provision			
1. Opening balance	-	-	-
4. Closing balance	-	-	-
IV. Book value			
1. Opening book value	2,502,561,412.19	349,081,768.23	2,851,643,180.42
2. Closing book value	2,616,570,561.08	357,365,839.38	2,973,936,400.46

(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
Comprehensive Bonded Zone	974,757,995.98	Completion settlement not completed
Trading Station of Yiwu CCC Warehousing Park	93,034,948.67	Completion settlement not completed
Office building of the auxiliary project in western Yiwu	86,794,063.23	Completion settlement not completed
Total	1,154,587,007.88	

Other statements

√Applicable □Not applicable

As of December 31, 2022, the total amount of investment real estate for which the property right certificates had not been received due to that the final settlement was still in progress was RMB 1,154,587,007.88.

21. Fixed assets**Presentation of items**

√Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Fixed assets	5,220,882,784.47	5,078,590,929.75
Total	5,220,882,784.47	5,078,590,929.75

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	7,561,987,149.45	3,867,198,470.98	13,325,615.62	11,442,511,236.05
2. Increase in the current period	366,181,407.35	147,393,012.04	91,997.42	513,666,416.81
(1) Purchase	-	24,440,280.52	91,997.42	24,532,277.94
(2) Changeover from construction in progress	363,898,268.53	111,797,716.52	-	475,695,985.05
(3) Increase due to mergers	-	11,155,015.00	-	11,155,015.00
(4) Other transfer -in	2,283,138.82	-	-	2,283,138.82
3. Decrease in the current period	3,868,194.99	27,287,697.41	3,497,514.67	34,653,407.07
(1) Disposal or retirement	3,868,194.99	27,287,697.41	3,497,514.67	34,653,407.07
4. Closing balance	7,924,300,361.81	3,987,303,785.61	9,920,098.37	11,921,524,245.79
II. Accumulated depreciation				
1. Opening balance	2,729,655,577.54	3,154,632,991.35	8,468,269.56	5,892,756,838.45
2. Increase in the current period	292,331,556.43	68,862,229.19	1,873,832.47	363,067,618.09
(1) Provision	292,331,556.43	68,862,229.19	1,873,832.47	363,067,618.09
3. Decrease in the current period	-	23,495,067.46	2,851,395.61	26,346,463.07
(1) Disposal or retirement	-	23,495,067.46	2,851,395.61	26,346,463.07
4. Closing balance	3,021,987,133.97	3,200,000,153.08	7,490,706.42	6,229,477,993.47
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. Opening book value	4,431,149,759.99	787,303,632.53	2,429,391.95	5,220,882,784.47
2. Closing book value	4,361,168,104.06	712,565,479.63	4,857,346.06	5,078,590,929.75

(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
Auxiliary project in western Yiwu	591,632,268.53	Completion settlement not completed
Liaoning Xiliu Yiwu China Commodities City	324,783,769.58	Completion settlement not completed
Huangyuan Clothing Market	245,004,629.45	Completion settlement not completed
CCC Hotel	51,462,875.75	Completion settlement not completed
Total	1,212,883,543.31	

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, 2022, the total amount of property, plant and equipment for which the property right certificates had not been received due to that the final settlement was still in progress was RMB 1,212,883,543.31.

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	2,860,064,818.36	1,090,577,963.27
Total	2,860,064,818.36	1,090,577,963.27

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
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 Yiwu Comprehensive Bonded Zone Project	1,853,596,168.27	-	1,853,596,168.27	357,114,238.02	-	357,114,238.02
Logistics Park S3	304,000,538.70	-	304,000,538.70	-	-	-
Logistics Park S2	235,339,023.06	-	235,339,023.06	-	-	-
Yiwu Digital Trade Industrial Park	158,150,730.63	-	158,150,730.63	60,070,777.68	-	60,070,777.68
Yiwu International Digital Logistics Market	116,022,418.71	-	116,022,418.71	-	-	-
Global Digital Free Trade Center	71,878,178.97	-	71,878,178.97	30,126,457.56	-	30,126,457.56
The Chian West Sea tourism project	70,003,472.35	-	70,003,472.35	68,040,671.22	-	68,040,671.22
The Zhimei Dachen Tourism Project	22,801,228.71	-	22,801,228.71	58,285,106.90	-	58,285,106.90
Zone II East Parking Lot Project	-	-	-	276,099,117.75	-	276,099,117.75
Other projects	617,612.59	-	617,612.59	548,854.99	-	548,854.99
Total	2,864,699,878.32	-4,635,059.96	2,860,064,818.36	1,095,213,023.23	-4,635,059.96	1,090,577,963.27

(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 (%)	Project Progress	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	21,263.73	9,291.78	30,555.51	-	100.00	completed	9,938.28	-	-	Own funds/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	-	-	Own funds/financing
The Yiwu Comprehensive Bonded Zone Project	624,250.00	35,711.42	149,648.20	-	185,359.62	46.55	Under construction	-	-	-	Self-owned
Logistics Park S2	108,000.00	-	23,533.90	-	23,533.90	21.79	Under construction	-	-	-	Self-owned

Logistics Park S3	132,000.00	-	30,400.05	-	30,400.05	23.03	Under construction	91.83	91.83	2.90	Own funds/financing
Yiwu Digital Trade Industrial Park	39,579.00	6,007.08	9,807.99	-	15,815.07	39.96	Under construction	-	-	-	Self-owned
Yiwu International Digital Logistics Market	113,600.00	-	11,602.24	-	11,602.24	10.21	Under construction	94.25	94.25	2.90	Own funds/financing
Global Digital Free Trade Center	832,082.00	3,012.65	4,175.17	-	7,187.82	0.90	Under construction	-	-	-	Self-owned
The Chian West Sea tourism project	8,000.00	6,804.06	196.29	-	7,000.35	85.07	Under construction	-	-	-	Self-owned
The Zhimei Dachen tourism project	6,000.00	5,828.51	639.02	4,187.40	2,280.13	97.25	Under construction	-	-	-	Self-owned
Zone II East Parking Lot Project	60,706.00	27,609.91	1,474.95	29,084.86	-	100.00	completed	-	-	-	Self-owned
Other projects	-	54.89	61.76	54.89	61.76			-	-	-	Self-owned
Total	2,238,133.00	109,521.30	240,831.35	63,882.66	286,469.99	/	/	10,278.97	186.08	/	/

(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. Bearer biological asset**(1). Bearer biological asset measured by cost**

Applicable Not applicable

(2). Bearer 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	Land	Total
I. Original book value			
1. Opening balance	128,748,477.02	125,879,033.69	254,627,510.71
2. Increase in the current period	27,475,019.10	-	27,475,019.10
(1) Lease in	27,475,019.10	-	27,475,019.10
3. Decrease in the current period	-	-	-
4. Closing balance	156,223,496.12	125,879,033.69	282,102,529.81
II. Accumulated depreciation			
1. Opening balance	21,694,272.46	7,586,161.11	29,280,433.57
2. Increase in the current period	32,077,371.07	3,041,814.36	35,119,185.43
(1) Provision	32,077,371.07	3,041,814.36	35,119,185.43
3. Decrease in the current period	-	-	-
4. Closing balance	53,771,643.53	10,627,975.47	64,399,619.00
III. Depreciation provision			
1. Opening balance	-	-	-
4. Closing balance	-	-	-
IV. Book value			
1. Opening book value	102,451,852.59	115,251,058.22	217,702,910.81
2. Closing book value	107,054,204.56	118,292,872.58	225,347,077.14

Other notes:

Nil

26. Intangible assets**(1). Overview of intangible assets**

√Applicable □Not applicable

Unit: RMB

Item	Land use right	Software and software copyright	Total
I. Original book value			
1. Opening balance	5,620,777,656.44	72,090,272.16	5,692,867,928.60
2. Increase in the current period	2,466,795,003.67	124,804,033.67	2,591,599,037.34
(1) Purchase	2,456,129,105.67	10,299,498.80	2,466,428,604.47
(2) Internal R&D	-	35,212,024.64	35,212,024.64
(3) Increase due to mergers	-	79,292,510.23	79,292,510.23
(4) Other transfer -in	10,665,898.00	-	10,665,898.00
3. Decrease in the current period	-	1,918,946.22	1,918,946.22
(1) Disposal	-	1,918,946.22	1,918,946.22
4. Closing balance	8,087,572,660.11	194,975,359.61	8,282,548,019.72
II. Accumulated amortization			
1. Opening balance	1,642,066,103.72	7,237,162.53	1,649,303,266.25
2. Increase in the current period	160,844,157.04	10,723,906.07	171,568,063.11
(1) Provision	160,844,157.04	10,723,906.07	171,568,063.11
3. Decrease in the current period	-	173,000.00	173,000.00
(1) Disposal	-	173,000.00	173,000.00
4. Closing balance	1,802,910,260.76	17,788,068.60	1,820,698,329.36
III. Depreciation provision			
1. Opening balance	-	-	-
4. Closing balance	-	-	-
IV. Book value			
1. Opening book value	6,284,662,399.35	177,187,291.01	6,461,849,690.36
2. Closing book value	3,978,711,552.72	64,853,109.63	4,043,564,662.35

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 0.96%

(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	Business merger	Recognized as intangible assets		
The development project for platform "chinagoods"	6,359,814.02	29,404,851.33	-	35,212,024.64		552,640.71
Kuaijietong Core Payment System	-	2,516,395.62	1,591,959.54	-		4,108,355.16
Total	6,359,814.02	31,921,246.95	1,591,959.54	35,212,024.64		4,660,995.87

Other statements

Nil

28. Goodwill**(1). Original book value of goodwill**

√Applicable □Not applicable

Unit: RMB

The name of the invested unit or matters forming goodwill	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Formed by a business combination		Disposal		
Xunchi Group	-	284,916,367.87		-		284,916,367.87
Total	-	284,916,367.87		-		284,916,367.87

(2). Provision for goodwill impairment

√Applicable □Not applicable

Unit: RMB

The name of the invested unit or matters forming goodwill	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Provision	Others	Disposal	Others	
Xunchi Group	-	-	-	-	-	-
Total	-	-	-	-	-	-

(3). Information on the assets group or combination of assets groups to which the goodwill belongs

√Applicable □Not applicable

In July 2022, the Group acquired 100% equity of Zhejiang Haier Network Technology Co., Ltd. and Zhejiang Haier Network Technology Co., Ltd.'s subsidiary Kuaijietong Payment Service Co., Ltd. (hereinafter referred to as "Xunchi Group"), forming a goodwill of RMB 284,916,367.87. For the calculation process, please refer to Note VIII. 1. Business combinations involving enterprises not under common control.

The goodwill obtained from business combination has been allocated to the following asset groups or combination of asset groups for impairment test:

Kuaijietong asset group

The goodwill of the Group is allocated to the Kuaijietong asset group for impairment testing. The asset group is composed of Kuaijietong Payment Service Co., Ltd., a subsidiary of

Zhejiang Haier Network Technology Co., Ltd. Since the synergistic effect of the acquisition of Xunchi Group is reflected in the Kuaijietong's subsidiaries, the main cash flow generated by the Kuaijietong's subsidiaries is independent of other subsidiaries of the Group, and the Group manages the production activities of the Kuaijietong's subsidiaries independently, so the goodwill is allocated to the Kuaijietong asset group.

(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

The book value of the Kuaijietong asset group was RMB 371,204,713.10. The recoverable amount adopts the present value of the expected future cash flow of the asset group combination, and is determined according to the cash flow forecast based on the 5-year financial budget approved by the management. The pre-tax discount rate adopted by management as of December 31, 2022 was 12.69%. The perpetual cash flow after five years does not take into account the perpetual growth rate.

The following illustrates the key assumptions made by management in determining the cash flow projections for the purposes of the goodwill impairment test:

Budgeted gross profit rate - The basis for determination is to increase the average gross profit rate appropriately according to the expected market development on the basis of the average gross profit rate achieved in the year before the budget year.

Discount rate — The discount rate adopted is the pre-tax discount rate reflecting the specific risk of the relevant asset group or asset group combination.

(5). Impact of goodwill impairment test

Applicable Not applicable

Based on the above impairment test results, the Group believes that there was no need to make provision for impairment of goodwill on December 31, 2022

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	Mergers of enterprises not under common control	Closing balance
Decoration of buildings and structures	174,871,839.30	162,905,555.70	41,324,840.36	-	296,452,554.64
Advertising facilities	13,312,537.13	19,029,712.48	21,943,715.48	74,882.12	10,473,416.25
Total	188,184,376.43	181,935,268.18	63,268,555.84	74,882.12	306,925,970.89

Other notes:

Nil

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	18,828,747.02	4,707,186.78	18,766,810.88	4,691,702.72
Unrealized profits of internal transactions	1,094,793.10	273,698.28	1,094,793.10	273,698.28
Deductible losses	1,039,362.23	259,840.56	10,635,059.71	2,658,764.93
Recognized but unpaid liabilities	301,006,872.77	75,251,718.21	359,852,941.25	89,963,235.31
Overspent advertising cost	12,547,314.43	3,136,828.61	8,497,106.53	2,124,276.63
Right-of-use assets and lease liabilities	6,238,418.88	1,559,604.71	3,291,235.93	822,808.98
Asset-related government grants	79,879,800.00	19,969,950.00	53,046,300.00	13,261,575.00
Changes in fair value of other non-current financial assets	122,472,837.68	30,618,209.42	87,763,868.16	21,940,967.04
Changes in fair value of trading financial assets	3,854,431.84	963,607.96	-	-
Change in fair value of other equity instruments investment	54,424,627.13	13,606,156.78	-	-
Total	601,387,205.08	150,346,801.31	542,948,115.56	135,737,028.89

(2). Deferred income tax liabilities having not been offset

√Applicable □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	27,573,081.34	6,893,270.33	879,727.84	219,931.94
Change in fair value of other equity instruments investment	-	-	88,562,537.79	22,140,634.45
Changes in fair value of other non-current financial assets	352,597,807.91	88,149,451.98	357,773,989.11	89,443,497.28
Changes in fair value of trading financial assets	-	-	373,599.00	93,399.75
Total	380,170,889.25	95,042,722.31	447,589,853.73	111,897,463.42

(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	13,856,330.50	485,392,932.16
Deductible losses	857,701,806.92	1,090,714,817.48
Total	871,558,137.42	1,576,107,749.64

(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
2022	-	245,346,275.18	
2023	146,809,087.31	145,652,609.01	
2024	173,780,379.93	219,603,443.50	
2025	207,526,489.77	236,606,485.47	
2026	212,236,244.78	243,506,004.32	
2027	117,349,605.13	-	
Total	857,701,806.92	1,090,714,817.48	/

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
Prepaid equity transfer consideration	-	-	-	67,395,000.00	-	67,395,000.00
Total	138,253,316.00	-	138,253,316.00	211,329,650.45	-	211,329,650.45

Other notes:

Nil

32. Short-term borrowings**(1). Classification of short-term borrowings**√Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Credit loans	1,059,287,361.11	942,736,046.04
Total	1,059,287,361.11	942,736,046.04

Note to the classification of short-term borrowings:

Nil

(2). Overdue short-term borrowingsApplicable 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, 2022, the range of the annual interest rates of the above-mentioned borrowings was 2.35%-4.151% (December 31, 2021: 1.20%-3.915%).

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	881,114,454.44	301,995,294.63
Accounts payable for real estate projects	216,635,705.68	33,317,557.65
Trade payables	58,894,383.76	72,330,560.78
Accounts payable for procurement for the hotel project	17,465,421.40	58,722,226.25
Others	17,204,438.87	26,994,789.71
Total	1,191,314,404.15	493,360,429.02

(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
Warranty premium	11,095,956.69	Under warranty or not billed
Total	11,095,956.69	/

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
Advance receipt of merchant payment	639,009,194.79	-
Rental advances	236,525,969.44	142,605,296.83
Others	10,458,105.25	10,961,014.30
Total	885,993,269.48	153,566,311.13

(2). Important advances with the age over 1 yearApplicable √Not applicable

Other statements

√Applicable Not applicable

Since the advances from customers are mainly from the advance use fees for shops, as of December 31, 2022, there was no single large advance 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	2,982,431,412.43	2,996,965,006.91
Advances from customers for goods	653,697,926.33	762,448,893.76
Advances from customers for advertising fee	228,163,127.56	66,129,057.15
Advances from customers for housing purchase	31,199,591.78	178,756,399.38
Advances from customers for use fee of networking cables	17,747,693.18	14,150,457.59
Advances from customers for loyalty of brands	11,119,366.97	17,997,985.07
Others	66,678,903.31	21,971,424.98
Total	3,991,038,021.56	4,058,419,224.84

(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	241,452,764.09	431,850,793.07	493,601,491.42	179,702,065.74
II. Post employment benefits – defined contribution plan	2,511,991.29	28,857,547.27	27,936,289.79	3,433,248.77
III. Severance benefits	-	704,729.26	704,729.26	-
Total	243,964,755.38	461,413,069.60	522,242,510.47	183,135,314.51

(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	240,122,029.99	341,366,484.51	403,419,561.31	178,068,953.19
2. Employee benefits	-	39,195,513.96	39,195,513.96	-

3. Social security contribution	1,238,946.85	17,333,098.99	17,300,440.75	1,271,605.09
In which: contribution to medical insurance scheme	1,101,887.73	15,915,718.41	15,923,443.03	1,094,163.11
Contribution to work-related injury insurance scheme	28,926.87	574,342.48	484,309.15	118,960.20
Contribution to maternity insurance scheme	108,132.25	843,038.10	892,688.57	58,481.78
4. Housing provident fund	79,760.00	24,490,564.00	24,506,373.00	63,951.00
5. Contribution to trade union fund and employee education fund	12,027.25	9,465,131.61	9,179,602.40	297,556.46
Total	241,452,764.09	431,850,793.07	493,601,491.42	179,702,065.74

(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 insurance scheme	2,342,403.40	27,912,630.46	27,022,827.85	3,232,206.01
2. Contribution to the unemployment insurance scheme	169,587.89	944,916.81	913,461.94	201,042.76
Total	2,511,991.29	28,857,547.27	27,936,289.79	3,433,248.77

Other notes:

□Applicable √Not applicable

40. Tax payable

√Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance
VAT	56,402,798.28	83,766,540.18
Business tax	-240,013.55	-240,013.55
Urban maintenance and construction tax	2,521,434.47	4,687,093.90
Corporate income tax	6,138,842.64	279,485,623.04
Individual income tax	1,275,355.73	1,260,803.19
Land appreciation tax	66,652.63	2,780,327.20
Real estate tax	84,142,438.27	171,138,711.99
Land use tax	60,454,035.23	10,612,069.24
Others	4,236,880.71	6,005,392.15
Total	214,998,424.41	559,496,547.34

Other notes:

As at December 31, 2022, the details of the main taxes prepaid by the Group are as follows: Unit: Yuan Currency: 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
Land appreciation tax	-	247,373.48	247,373.48
Education surcharge and local education surcharge	-	522,709.51	522,709.51
Total	240,013.55	1,501,876.31	1,741,889.86

41. Other payables**Presentation of items**

√Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Other payables	1,325,596,105.43	1,908,742,835.15
Total	1,325,596,105.43	1,908,742,835.15

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	490,392,164.12	598,819,336.72
Pending investment refunds	429,637,665.00	877,464,692.76
Operating expenses payable	284,502,534.04	268,576,640.89
Restricted stock incentive plan	120,092,075.00	137,440,900.00
Yiwugou's bank reserve fund	-	25,823,767.03
Others	971,667.27	617,497.75
Total	1,325,596,105.43	1,908,742,835.15

(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, 2022.

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	345,934.69	100,918,614.59
Bonds payable due within 1 year	61,508,191.79	3,552,960,829.66
Lease liabilities due within 1 year	24,998,166.53	10,362,478.83
Total	86,852,293.01	3,664,241,923.08

Other notes:

Nil

44. Other current liabilities

Other current liabilities

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Short-term financing notes payable	3,012,256,419.90	3,009,756,921.11
Payment business reserve	397,125,623.54	-
To-be-reported output tax	59,992,173.80	67,323,844.72
Dividend payable to to-be-recognized accounts	2,449,697.11	2,220,922.02
Dividend announced but not collected before listing	2,083,112.65	2,083,112.65
Total	3,473,907,027.00	3,081,384,800.50

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	Oct 27, 2021	268 days	1,000,000,000.00	1,004,835,068.49	-	16,492,054.79	553,424.66	1,021,880,547.93	-
Super-short-term commercial paper	100	Nov 15, 2021	279 days	1,000,000,000.00	1,003,076,172.00	-	17,534,520.55	619,444.44	1,021,230,136.99	-
Super-short-term commercial paper	100	Nov 30, 2021	269 days	1,000,000,000.00	1,001,845,680.63	-	18,440,547.95	658,333.33	1,020,944,561.91	-
Super-short-term commercial paper	100	Jun 29, 2022	30 days	1,000,000,000.00	-	1,000,000,000.00	1,808,219.18	83,333.33	1,001,891,552.51	-
Super-short-term commercial paper	100	Jul 27, 2022	61 days	1,000,000,000.00	-	1,000,000,000.00	3,158,630.14	169,444.44	1,003,328,074.58	-
Super-short-term commercial paper	100	Aug 10, 2022	79 days	1,000,000,000.00	-	1,000,000,000.00	3,787,671.23	219,444.44	1,004,007,115.67	-
Super-short-term commercial paper	100	Aug 24, 2022	91 days	1,000,000,000.00	-	1,000,000,000.00	4,363,013.70	252,777.78	1,004,615,791.48	-
Super-short-term commercial paper	100	Sep 21, 2022	240 days	1,000,000,000.00	-	1,000,000,000.00	5,840,547.95	283,333.33	-	1,005,457,214.61

Super-short-term commercial paper	100	Oct 26, 2022	240 days	1,000,000,000.00	-	1,000,000,000.00	4,221,917.81	178,505.14	-	1,003,733,756.28
Super-short-term commercial paper	100	Nov 22, 2022	120D	1,000,000,000.00	-	1,000,000,000.00	3,287,671.23	111,111.11	-	1,003,065,449.01
Total	/	/	/	10,000,000,000.00	3,009,756,921.11	7,000,000,000.00	78,934,794.53	3,129,152.00	7,077,897,781.07	3,012,256,419.90

Other notes:

Applicable Not applicable

As of December 31, 2022, the range of annual interest rates of the above-mentioned short-term financing bonds was 1.75%-3.00% (December 31, 2021: 2.48%-2.98%).

45. Long-term borrowings**(1). Classification of long-term borrowings**√Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Credit loans	404,500,000.00	771,250,000.00
Total	404,500,000.00	771,250,000.00

Notes on the classification of long-term borrowings:

Nil

Other notes, including the interest rate range:

√Applicable Not applicable

As of December 31, 2022, the range of annual interest rates of the above borrowings was 2.70%-2.90% (December 31, 2021: 2.70%-3.92%).

46. Bonds payable**(1). Bonds payable**√Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Bonds payable	3,497,416,819.75	-
Total	3,497,416,819.75	-

(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	Feb 24, 2022	3Y	1,000,000,000.00	-	1,000,000,000.00	27,942,465.75	310,055.91	-	27,942,465.75	999,177,980.44
MTN	100	Mar 29, 2022	3Y	500,000,000.00	-	500,000,000.00	13,546,438.36	138,141.83	-	13,546,438.36	499,572,104.09
MTN	100	Jul 20, 2022	3Y	500,000,000.00	-	500,000,000.00	6,739,726.03	82,250.63	-	6,739,726.03	499,516,212.89
Corporate bonds	100	Sep 1, 2022	3Y	800,000,000.00	-	800,000,000.00	7,701,041.10	54,489.46	-	7,701,041.10	799,551,093.23
Corporate bonds	100	Sep 22, 2022	3Y	700,000,000.00	-	700,000,000.00	5,578,520.55	39,429.10	-	5,578,520.55	699,599,429.10
Total	/	/	/	3,500,000,000.00	-	3,500,000,000.00	61,508,191.79	624,366.93	-	61,508,191.79	3,497,416,819.75

(3). Conditions and time for the conversion of convertible corporate bonds

□Applicable √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	320,577,235.56	334,659,632.28
Unrecognized financing charges	-88,955,333.06	-118,354,479.52
Lease liabilities due within 1 year	-24,998,166.53	-10,362,478.83
Total	206,623,735.97	205,942,673.93

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, 2022, the matter was 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	78,170,103.62	26,833,500.00	1,421,473.68	103,582,129.94	
Total	78,170,103.62	26,833,500.00	1,421,473.68	103,582,129.94	/

Items involving government grants:

√Applicable □Not applicable

Unit: RMB

Liability item	Opening balance	Increase in grant amount in the current period	Amount recognized in other income in the current period	Closing balance	Asset-related or income-related
Subsidy for service industry cluster project	5,243,445.95	-	266,666.64	4,976,779.31	Asset-related
Interest subsidy for the international exhibition center construction fund	19,880,357.67	-	1,154,807.04	18,725,550.63	Asset-related
Subsidy for Yiwu Comprehensive Bonded Zone Project	53,046,300.00	26,833,500.00	-	79,879,800.00	Asset-related
Total	78,170,103.62	26,833,500.00	1,421,473.68	103,582,129.94	

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	5,491,274,176.00	-	-	-	-	5,200,000.00	5,486,074,176.00

Other notes:

After consideration and approval at the 51st meeting of the eighth Board of Directors and the 14th meeting of the eighth Board of Supervisors of the Group held on July 19, 2022, in view of the fact that among the original incentive objects, 45 no longer worked in the Company due to their position adjustments or 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 cancel a total of 5,200,000 restricted shares granted to the above 45 people but yet to be released. The Company would repurchase and cancel the restricted shares held by the above-mentioned 45 people that had been granted but not yet been released at the sum of interest calculated at RMB 2.812 per share or RMB 2.317 per share plus 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 14.9341 million. The above-mentioned repurchase funds would all be paid with the Company's own funds, and the cancellation would be completed on October 21, 2022.

After this restricted stock repurchase, the share capital decreased by RMB 5,200,000 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)	1,559,964,197.11	-	10,055,000.00	1,549,909,197.11
Stock incentive	33,414,344.66	29,691,919.00	-	63,106,263.66
Others	38,130,573.19	-	-	38,130,573.19
Total	1,631,509,114.96	29,691,919.00	10,055,000.00	1,651,146,033.96

Other notes including those on the changes in the current period and the reasons therefor:

During the reporting period, the capital reserve-equity incentive increase was due to the Company's confirmation of share-based payment expenses of RMB 29,691,919.00 during the waiting period, and the decrease was due to the Company's repurchase and cancellation of restricted stock write-offs of RMB 10,055,000.00 for those who did not meet the unlocking conditions, which were included in this item accordingly.

56. Treasury sharesApplicable Not applicable

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Restricted stock incentive plan	137,494,800.00	-	18,011,125.00	119,483,675.00
Total	137,494,800.00	-	18,011,125.00	119,483,675.00

Other notes including those on the changes in the current period and the reasons therefor:

Because some incentive objects resigned or left office for personnel transfer during the waiting period and thus 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 incomeApplicable Not applicable

Unit: RMB

Item	Opening amount Balance	Amount in the current period			Closing amount Balance
		Current income amount before tax	Less: income tax	Amount after tax attributable to parent company	
I. Other comprehensive income that cannot be reclassified into profit or loss	66,421,903.33	-	-35,746,791.23	-107,240,373.69	-40,818,470.36
Change in fair value of other equity instruments investment	66,421,903.33	-	-35,746,791.23	-107,240,373.69	-40,818,470.36
II. Other comprehensive income to be	-5,571,168.31	22,381,165.07	-	22,381,165.07	16,809,996.76

reclassified into profit or loss					
Other comprehensive income that can be transferred into profit and loss under equity method	-	4,060,531.46	-	4,060,531.46	4,060,531.46
Difference arising from the translation of foreign currency financial statements	-5,571,168.31	18,320,633.61	-	18,320,633.61	12,749,465.30
Total other comprehensive income	60,850,735.02	120,605,999.85	-35,746,791.23	-84,859,208.62	-24,008,473.60

Other notes, including those on the adjustment of the initially recognized amount of hedged items converted from the effective part of profits or losses from cash flow hedging:

Nil

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	1,453,325,098.91	110,873,341.23	-	1,564,198,440.14
Discretionary surplus reserve	40,195,855.68	-	-	40,195,855.68
Others	11,688,840.91	-	-	11,688,840.91
Total	1,505,209,795.50	110,873,341.23	-	1,616,083,136.73

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. Statutory surplus reserve 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	6,059,496,846.85	5,168,298,206.50
Opening undistributed profits after adjustment	6,059,496,846.85	5,168,298,206.50

Plus: net profits attributable to shareholders of the parent company in the current period	1,104,719,091.71	1,334,095,906.95
Less: withdrawal of statutory surplus reserve	110,873,341.23	140,951,986.92
General risk reserve	1,038,991.13	-
Common share dividend payable	400,863,014.85	301,945,279.68
Closing undistributed profits	6,651,440,591.35	6,059,496,846.85

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	7,326,780,315.71	6,335,697,349.65	5,586,058,113.32	3,870,814,652.77
Other businesses	292,913,426.89	117,212,480.31	447,784,859.63	156,728,485.79
Total	7,619,693,742.60	6,452,909,829.96	6,033,842,972.95	4,027,543,138.56

(2). Revenue generated from contracts

√Applicable □Not applicable

Unit: RMB

Classified by type of contract	Total
Types of goods	
Sales of goods	5,164,806,897.49
The use of shops in the Commodity City and its supporting services	1,466,324,121.47
Hotel accommodation and catering services	195,953,697.59
Revenue from use fees	52,315,023.80
Other services	504,563,377.32
Classified by business area	
Chinainland	7,383,963,117.67
Classified by contract period	
Revenue confirmed at certain time point	
Sales of goods	5,164,806,897.49
Hotel catering services	109,676,970.73
Other services	347,884,728.81
Revenue confirmed during certain time period	
The use of shops in the Commodity City and its supporting services	1,466,324,121.47
Hotel accommodation service	86,276,726.86
Revenue from use fees	52,315,023.80
Other services	156,678,648.51
Total	7,383,963,117.67

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	897,026,499.46
The use of shops in the Commodity City and its supporting services	1,466,324,121.47
Hotel accommodation service	11,260,471.19
Other services	97,370,720.14
Total	2,471,981,812.26

(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

Other notes:

As of December 31, 2022, the transaction price allocated to the remaining contract performance obligations was RMB 3,991,038,021.56. The Group expects that this amount will be recognized as an income in the next 5 years with the progress of the relevant service.

62. Taxes and surcharges

Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Real estate tax	118,168,544.44	118,182,369.56
Land use tax	60,280,050.01	11,029,363.42
Stamp duty	6,790,568.05	7,188,521.64
Urban maintenance and construction tax	6,479,070.41	12,672,573.75
Education surcharge	2,800,755.18	5,476,928.89
Land appreciation tax	2,035,123.43	3,349,307.04
Local education surcharge	1,867,176.45	3,651,285.86
Cultural undertaking development fee	470,626.83	-1,440.00
Business tax	13,549.21	206,842.50
Travel tax	2,040.00	3,456.16
Total	198,907,504.01	161,759,208.82

Other notes:

Nil

63. Sales expenses

Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Marketing expenses	89,853,590.72	115,754,997.02
Security and insurance expenses	33,844,271.39	38,306,012.40

Advertising expenses	31,743,030.06	45,648,963.60
Depreciation and amortization	17,375,946.53	950,256.30
Water, electricity and fuel expenses	6,953,269.50	1,351,892.26
Others	17,909,872.89	2,733,852.99
Total	197,679,981.09	204,745,974.57

Other notes:

Nil

64. Administrative expenses

Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Employee and uniform expenses	317,219,351.11	326,368,947.18
Depreciation and amortization	96,689,173.47	37,743,155.62
Start-up fee	40,895,776.63	16,102,068.61
Intermediary expenses	19,137,790.40	23,480,815.21
Office expenses	14,118,875.61	17,616,097.42
Travel expenses	2,365,796.11	4,761,152.09
Others	39,039,507.38	27,471,191.67
Total	529,466,270.71	453,543,427.80

Other notes:

Nil

65. R&D expenses

Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Labor cost	8,829,647.10	6,076,406.11
Depreciation and amortization	3,981,240.06	122,541.44
Technology development fee	4,449,479.90	650,354.19
Others	116,794.82	3,459,500.10
Total	17,377,161.88	10,308,801.84

Other notes:

Nil

66. Financial expenses

Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Interest expenses	280,924,664.39	341,313,765.39
Amortization of commercial paper discount	4,370,938.50	4,735,876.54
Amortization of discounted bonds payable	-	-
Less: interest income	-132,216,250.44	-177,964,682.68
Less: capitalized amount of interest	-1,860,833.33	-10,245,795.84

Foreign exchange profits or losses	-17,091,915.89	5,841,186.27
Amortization of unrecognized financing expenses	13,010,514.37	12,864,558.43
Others	2,011,772.20	3,366,705.59
Total	149,148,889.80	179,911,613.70

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
2021 Promotion of Business Development Awards	8,220,591.24	-
Comprehensive Bonded Area Enterprise Development Support Policy Subsidy	5,000,000.00	-
Additional deduction of input tax	4,814,300.56	6,244,434.23
Subsidies for energy saving and consumption reduction	4,000,000.00	4,863,474.00
Credit center platform construction and operation and maintenance subsidies	3,500,000.00	-
Special incentive funds for modern supply chain system innovation	2,300,000.00	2,682,704.00
Yiwu Fair Construction Subsidy	2,000,000.00	-
2021 Export Credit Insurance Grant	1,658,610.03	-
Interest subsidy for the international exhibition center construction fund	1,154,807.04	1,154,807.04
Job stabilization and job expansion subsidies	1,461,352.01	-
Government subsidy for service industry cluster for 2011	266,666.64	266,666.64
Industrial Cluster Cross-border E-commerce Development Pilot Subsidy	-	1,879,093.83
Reward for "three collections and three rebates"	-	1,084,878.00
Refund of social security contribution	-	14,595.20
Others	4,426,356.93	5,366,295.07
Total	38,802,684.45	23,556,948.01

Other notes:

Nil

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	996,108,417.69	599,180,325.58
Investment income from held-for-trading financial assets during holding period	448,207.50	-
Dividend income from other equity instruments investment during holding period	12,542,733.80	12,542,733.80
Interest income from debt investment during holding period	79,561.64	-
Investment income from disposal of held-for-trading financial assets	1,841,491.90	67,265.72
Income acquired from other non-current financial assets during the holding period	26,916,977.43	20,833,465.43
Investment income from disposal of other non-current financial assets	2,118,067.24	-
Investment income from disposal of wealth management products	1,469,407.05	1,604,200.49
Total	1,041,524,864.25	634,227,991.02

Other notes:

Nil

69. Income from net exposure hedgingApplicable 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	-3,886,171.10	-1,332,503.10
Other non-current financial assets	-1,376,305.49	8,563,824.94
Total	-5,262,476.59	7,231,321.84

Other notes:

Nil

71. Loss of impairment of creditApplicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Bad debt loss of accounts receivable	2,024,409.36	6,343,395.56
Loss for bad debts of other receivables	-209,404.41	956,299.11
Total	1,815,004.95	7,299,694.67

Other notes:

Nil

72. Loss of impairment of assets

Applicable 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 property, plant and equipment	-941,780.66	-
Income from disposal of intangible assets	-	76,006.41
Total	-941,780.66	76,006.41

Other notes:

Nil

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	239,122.00	2,950.00	239,122.00
Incomes from liquidated damages	4,025,760.93	5,552,161.47	4,025,760.93
Others	3,234,387.95	211,260.99	3,234,387.95
Total	7,499,270.88	5,766,372.46	7,499,270.88

Government grant included in current profit or loss

Applicable Not applicable

Unit: RMB

Grant items	Amount in the current period	Previous amount	Asset-related or income-related
Financial subsidies for the development of the digital entertainment industry	200,000.00	-	Income-related
Epidemic subsidy	39,122.00	-	Income-related
Yiwu Comprehensive Bonded Zone Enterprise Development Support Policy	-	1,750.00	Income-related
Subsidy from Yiwu Market Development Committee	-	1,200.00	Income-related
Total	239,122.00	2,950.00	

Other notes:

Applicable Not applicable

75. Expenses from non-operating activities

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	188,806.68	637,423.30	188,806.68
Including: loss for disposal of property, plant and equipment	188,806.68	637,423.30	188,806.68
Income from disposal of intangible assets	-	-	-
External donation	3,393,094.06	1,107,540.00	3,393,094.06
Others	622,929.19	1,150,965.46	622,929.19
Total	4,204,829.93	2,895,928.76	4,204,829.93

Other notes:

Nil

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	49,512,382.53	360,286,304.87
Deferred income tax expenses	-3,306,682.14	-32,761,066.92
Total	46,205,700.39	327,525,237.95

(2). Adjustment process of accounting profits and income tax expenses

√Applicable □Not applicable

Unit: RMB

Item	Amount in the current period
Profits before tax	1,149,806,832.60
Income tax expenses calculated at the statutory/applicable tax rate	287,451,708.15
Impact of different tax rates applied by subsidiaries	1,573,320.93
Effect of adjusting income tax of previous period	-18,741,155.49
Effect of non-taxable income	-3,696,884.99
Effect of non-deductible costs, expenses and losses	1,275,710.21
Effect of using deductible losses of unrecognized deferred income tax assets in previous period	-21,922,246.14
Effect of deductible temporary differences or deductible losses of unrecognized deferred income tax assets in the current period	49,354,324.47
Profits or losses attributable to joint ventures and associates	-249,089,076.75
Income tax expenses	46,205,700.39

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	231,395,229.79	212,256,986.10
Bank deposit interest income received	131,393,012.77	177,964,682.68
Government grants received	64,453,832.77	63,576,554.04
Liquidated damages received	4,025,760.93	5,766,372.46
Bank reserve received	2,217,933.25	2,600,157.57
Others	1,230,207.23	63,243,577.73
Total	434,715,976.74	525,408,330.58

Notes on other cash receipts relating to operating activities:

Nil

(2). Other cash payments relating to operating activities

√Applicable □Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Major expenses paid	270,289,936.11	319,328,171.57
Deposit and security paid	219,259,625.81	157,057,755.29
Repair costs and expenses paid	62,055,970.52	120,690,572.43
Others	3,728,976.21	1,107,540.00
Total	555,334,508.65	598,184,039.29

Notes on other cash payments relating to operating activities:

Nil

(3). Other cash receipts relating to investing activities√Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Received funding from joint ventures and their subsidiaries	900,328,548.00	2,924,599,831.00
Recovered pending investment refunds	358,879,565.00	822,300,000.00
Total	1,259,208,113.00	3,746,899,831.00

Notes on other cash receipts relating to investing activities:

Nil

(4). Other cash payments relating to investing activities√Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Financial subsidy paid to the joint venture in Dubai	41,772,885.00	104,456,205.00
Paid the financial assistance for Guoshen Shangbo	-	1,372,000,000.00
Financial subsidy paid to Tonghui Shangbo	-	138,160,000.00
Payment of financial assistance to Handing Shangbo	-	17,845,800.00
Total	41,772,885.00	1,632,462,005.00

Other cash paid related to investment activities:

Nil

(5). Other cash receipts relating to financing activitiesApplicable √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
Lease payments paid	35,194,742.95	37,531,483.07
Restricted stock cancellation payment paid	14,934,064.64	2,827,300.00
Total	50,128,807.59	40,358,783.07

Other cash paid related to financing activities:

Nil

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	1,103,601,132.21	1,329,168,586.02
Plus: provision for impairment of assets	-	-
Loss of impairment of credit	1,815,004.95	7,299,694.67
Depreciation of fixed assets, depletion of oil and gas assets and depreciation of bearer biological assets	360,066,867.91	391,927,445.01
Amortization of right-of-use assets	35,119,185.43	29,280,433.57
Amortization of intangible assets	171,380,383.22	140,522,789.88
Depreciation and amortization of investment real estate	129,649,410.69	106,638,821.16
Amortization of long-term prepaid expenses	63,268,555.84	62,397,515.62
Loss from disposal of fixed assets, intangible assets and other long-term assets (gains indicated by "-")	564,167.30	-76,006.41
Loss from fixed assets retirement (gains indicated by "-")	188,806.68	637,423.30
Loss from changes in fair value (gains indicated by "-")	5,262,476.59	-7,231,321.84
Financial expenses (gains indicated by "-")	300,670,345.73	336,909,155.82
Investment loss (gains indicated by "-")	-1,093,839,888.05	-769,582,290.36
Decrease in deferred income tax assets (increase indicated by "-")	-1,003,615.63	-36,072,700.05
Increase in deferred income tax liabilities (decrease indicated by "-")	-2,303,066.49	-1,705,460.37
Decrease in inventory (increase indicated by "-")	-2,892,260.80	-8,180,635.66
Decrease in operating receivables (increase indicated by "-")	210,882,645.92	-912,160,213.18
Increase in operating payables (decrease indicated by "-")	117,660,562.27	1,363,309,270.58
Others	-	-
Net cash flow from operating activities	1,400,090,713.77	2,033,082,507.76
2. Significant investing and financing activities not involving cash receipt and payment:		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	1,981,200,941.64	4,006,468,325.47
Less: opening balance of cash	4,006,468,325.47	2,032,642,871.63
Add: closing balance of cash equivalents		
Less: opening balance of cash equivalents		
Net increase in cash and cash equivalents	-2,025,267,383.83	1,973,825,453.84

(2). Net cash paid for acquisition of subsidiaries in the current period

√Applicable □Not applicable

Unit: RMB

	Amount
Cash or cash equivalents paid in the current period for business combination occurred in the current period	368,062,500.00
Less: Cash and cash equivalents held by the Company on the date of acquisition	55,445,535.89
Net cash paid by subsidiaries	312,616,964.11

Other notes:

On June 16, 2021, the Company signed the "Equity Transfer Agreement" with Haier Group (Qingdao) Financial Holdings Co., Ltd. (hereinafter referred to as "Haier Financial Holdings"), agreeing that the Company would acquire 100% equity of Haier Network Technology Co., Ltd. (Hereinafter referred to as "Haier Network") and 100% equity of Kuaijietong Payment Service Co., Ltd. (hereinafter referred to as "Kuaijietong"), a subsidiary of Zhejiang Haier Network Technology Co., Ltd. at RMB 449,300,000.00.

On June 25, 2021, the Company paid the first delivery payment of RMB 67,395,000.00.

On December 3, 2021, as the prerequisites for the delivery of the second and third phases under the "Equity Transfer Agreement" were not met as scheduled, the Company signed the "Supplementary Agreement to the Equity Transfer Agreement" with Haier Financial Holdings, Haier Network and Kuaijietong, agreeing that if all the delivery was finally completed, Haier Financial Holdings would compensate the Company for losses of RMB 5,000,000.00, and the equity transfer consideration would be adjusted to RMB 444,300,000.00 in the end.

On June 15, 2022, the Company signed the "Fine Bearing Agreement" with Haier Financial Holdings, Haier Network and Kuaijietong, agreeing that Haier Financial Holdings would bear the fine of RMB 8,842,500.00 before the completion of delivery of Kuaijietong.

On July 26, 2022, the Company signed the "Four-Party Agreement" with Haier Financial Holdings, Haier Network and Kuaijietong, agreeing that the fine of RMB 8,842,500.00 and the equity transfer payment to be borne by Haier Financial Holdings should be settled on a net basis. The actual net cash paid for acquisition of subsidiaries was RMB 312,616,964.11

(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	1,981,200,941.64	4,006,468,325.47
In which: cash on hand	220,471.11	154,264.94
Bank deposit that can be used for payment at any time	1,980,229,200.48	4,006,258,722.95
Other monetary capital that can be used for payment at any time	751,270.05	55,337.58
II. Cash equivalents		
Including: bond investments due within three months		
III. Closing balance of cash and cash equivalents	1,981,200,941.64	4,006,468,325.47
Including: cash and cash equivalents with restricted use by the parent company or its subsidiaries	7,220,060.97	60.78

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

80. Notes to items in statement of changes in owners' equity

Names of "others" items whose closing balances in the previous year were 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
Cash and cash equivalents	10,098,029.66	[Note 2]
Long-term equity investment	102,918,559.00	[Note 3]
Other non-current financial assets	621,447,424.37	[Note 3]
Other current assets	367,484,914.87	[Note 4]
Total	1,101,948,927.90	/

Other notes:

Note 2. As of December 31, 2022, bank deposits with a book value of RMB 60.97 (December 31, 2021: RMB 60.78) were restricted for ownership or use rights due to being as security deposits for obtaining commercial housing mortgage loan. As of December 31, 2022, bank deposits with a book value of RMB 7,220,000.00 (December 31, 2021: RMB 0.00) were used as a performance bond for civil air defense projects under construction and the ownership or use rights were restricted. As of December 31, 2022, bank deposits with a book value of RMB 2,877,968.69 (December 31, 2021: RMB 0.00) were used as fast payment business risk deposits with restricted ownership or use rights.

Note 3: As of December 31, 2022, long-term equity investments with a book value of RMB 102,918,559.00 (December 31, 2021: RMB 102,918,559.00) and other non-current assets of RMB 621,447,424.37 (December 31, 2021: RMB 636,870,392.09) were frozen by Shanghai Municipal Public Security Bureau. See Note XIV.1 Important commitments for details.

Note 4. As of December 31, 2022, the payment business reserve fund with a book value of RMB 367,484,914.87 (December 31, 2021: RMB0.00) was established by the Company in accordance with the "Administrative Measures for Payment Services of Non-financial Institutions" and "Measures for the Custody of Customer Reserve Funds of Payment Institutions" Bank special deposit account. The scope of funds stored and received by the Company through the customer reserve account includes: funds received from bank card acquiring business, third-party payment convenience service business, credit card repayment business, credit payment settlement business, and other part of the Company's business. See Note VII. 13 Other current assets for details.

82. Foreign currency monetary items**(1). Foreign currency monetary items**√Applicable Not applicable

Unit: RMB

Item	Closing balance in foreign currency	Exchange rate	Closing amount after conversation: RMB Balance
Cash and cash equivalents	-	-	
In which: USD	12,105,648.01	6.9646	84,310,996.13
EURO	81,370.70	7.4229	604,006.57
Rwandan Franc	3,320.96	0.0068	22.58
Dirham	62,205.15	1.8966	117,978.29
Koruna	2,273,111.17	0.3069	697,617.82
Accounts receivable	-	-	
In which: USD	5,926,323.22	6.9646	41,274,470.70
EURO	154,711.02	7.4229	1,148,404.43
Koruna	7,166,958.46	0.3069	2,199,539.55
Other receivables	-	-	
In which: USD	19,395.10	6.9646	135,079.11
EURO	770,300.00	7.4229	5,717,859.87
Koruna	85,733.56	0.3069	26,311.63
Accounts payable	-	-	
In which: USD	8,745,903.07	6.9646	60,911,716.52
EURO	1,439.90	7.4229	10,688.23
Other payables	-	-	
In which: USD	981,222.25	6.9646	6,833,820.48
EURO	512,395.62	7.4229	3,803,461.45
Rwandan Franc	3,062,500.00	0.0068	20,825.00
Koruna	19,992.07	0.3069	6,135.57

Other notes:

Nil

(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
Financial subsidies for the development of the digital entertainment industry	200,000.00	Revenue from non-operating activities	200,000.00
Epidemic subsidy	39,122.00	Revenue from non-operating activities	39,122.00
2021 Promotion of Business Development Awards	8,220,591.24	Other income	8,220,591.24
Comprehensive Bonded Area Enterprise Development Support Policy Subsidy	5,000,000.00	Other income	5,000,000.00
Additional deduction of input tax	4,814,300.56	Other income	4,814,300.56
Subsidies for energy saving and consumption reduction	4,000,000.00	Other income	4,000,000.00
Credit center platform construction and operation and maintenance subsidies	3,500,000.00	Other income	3,500,000.00
Special incentive funds for modern supply chain system innovation	2,300,000.00	Other income	2,300,000.00
Yiwu Fair Construction Subsidy	2,000,000.00	Other income	2,000,000.00
2021 Export Credit Insurance Grant	1,658,610.03	Other income	1,658,610.03
Interest subsidy for the international exhibition center construction fund	1,154,807.04	Other income	1,154,807.04
Job stabilization and job expansion subsidies	1,461,352.01	Other income	1,461,352.01
Government subsidy for service industry cluster for 2011	266,666.64	Other income	266,666.64
Others	4,186,987.29	Other income	4,186,987.29
Total	38,802,436.81		38,802,436.81

(2). Refund of government grants

□Applicable √Not applicable

Other notes:

Nil

85. Others

□Applicable √Not applicable

VIII. Changes in consolidation scope**1. Mergers of enterprises not under common control**

√Applicable □Not applicable

(1). Business combinations under not under common control occurred in the current period

√Applicable □Not applicable

Unit: RMB

Purchased party Name	Time point of equity acquisition	Cost of equity acquisition	Percentage of equity acquired (%)	Method of equity acquisition	Acquisition date	Date for determining acquisition date	Income of acquiree from acquisition date until end of the period	Net profit of acquiree from acquisition date until end of the period
Zhejiang Xunchi Digital Technology Co., Ltd.	July 29, 2022	444,300,000.00	100	Acquisition	July 29, 2022	Delivery of property rights and acquisition of control	29,528,386.62	9,433,900.78

Other notes:

During the year, the Company acquired 100% equity of Zhejiang Haier Network Technology Co., Ltd. and 100% equity of Zhejiang Haier Network Technology Co., Ltd.'s subsidiary Kuaijietong Payment Service Co., Ltd. with cash of RMB 435,457,500.00 and the fair value of debts assumed of RMB 8,842,500.00. After the completion of the transaction, the name of Zhejiang Haier Network Technology Co., Ltd. was changed to Zhejiang Xunchi Digital Technology Co., Ltd., and the Group held 100% equity of Zhejiang Xunchi Digital Technology Co., Ltd. and 100% equity of Kuaijietong Payment Service Co., Ltd. (collectively referred to as "Xunchi Relax Group"), to gain control over it. The date of purchase was determined to be July 29, 2022 according to the time when the property rights were delivered and control was obtained.

(2). Merger costs and goodwill

√Applicable □Not applicable

Unit: RMB

Merger cost	Zhejiang Xunchi Digital Technology Co., Ltd.
--Cash	435,457,500.00
-- Fair value of non-cash assets	
-- Fair value of debt issued or assumed	8,842,500.00
-- Fair value of equity securities issued	
-- Fair value of contingent consideration	
--Fair value of the equity that had been held before the acquisition date on the acquisition date	
--Others	
Total merger costs	444,300,000.00
Less: The share in the fair value of identifiable net assets acquired	159,383,632.13
The difference between the goodwill/consolidation cost and the share in the fair value of identifiable net assets acquired	284,916,367.87

The method of determining the fair value of the merger cost, contingent consideration and its changes:

Nil

Main reasons for the formation of large -sum goodwill:

Nil

Other notes:

On June 15, 2021, it was reviewed and approved by the Board of Directors of the Group to purchase 100% of the equity of Zhejiang Haier Network Technology Co., Ltd. (hereinafter referred to as "Haier Network") and 100% of the equity of Kuaijietong Payment Service Co., Ltd. ((hereinafter referred to as "Kuaijietong"), a subsidiary of Zhejiang Haier Network Technology Co., Ltd., held by Haier Group (Qingdao) Financial Holdings Co., Ltd. Co., Ltd.(hereinafter referred to as "Haier Financial Holdings"), from Haier Financial Holdings, at cash of RMB 449,300,000.00. However, due to the fact that some pre-conditions for the delivery could not be fulfilled as scheduled, the Company signed a supplementary agreement with Haier Financial Holdings, Haier Network, and Kuaijietong on December 3, 2021, agreeing that the transaction price would be adjusted to RMB 444.3 million, of which RMB 435.4575 million was in cash, and RMB 8,842,500 was the fair value of the fines paid before the completion of the delivery of Kuaijietong.

(3). Acquiree's identifiable assets and liabilities on the acquisition date

√Applicable □Not applicable

Unit: RMB

	Zhejiang Xunchi Digital Technology Co., Ltd.	
	Fair value on acquisition date	Book value acquisition date
Assets:	625,888,320.15	595,532,480.88
Cash and cash equivalents	55,445,535.89	55,445,535.89
Held-for-trading financial assets	10,019,397.26	10,019,397.26
Receivables	984,468.13	984,468.13
Prepayments	918,774.84	918,774.84
Other receivables	13,910,233.61	13,910,233.61
Inventory	56,415.08	56,415.08
Other current assets	452,436,385.09	452,436,385.09
Fixed assets	11,155,015.00	4,508,129.95
Construction in progress	2,743.36	2,743.36
Intangible assets	79,292,510.23	55,583,556.01
Development expenses	1,591,959.54	1,591,959.54
Long-term prepaid expenses	74,882.12	74,882.12
Liabilities:	466,504,688.02	458,915,728.20
Payables	1,400,556.96	1,400,556.96
Contract liabilities	30,258.29	30,258.29
Payroll payable	3,204,428.12	3,204,428.12
Tax payable	245,091.36	245,091.36
Other payables	1,599,008.38	1,599,008.38
Deferred income tax liabilities	7,588,959.82	-
Other current liabilities	452,436,385.09	452,436,385.09
Net assets	159,383,632.13	136,616,752.68
Less: Minority shareholders' equity	-	-
Net assets acquired	159,383,632.13	136,616,752.68

Method for determining fair value of identifiable assets and liabilities:

The method for determining fair value of the acquiree's identifiable assets and liabilities acquired in business mergers not under the same control is evaluation by management expert using the asset-based method.

The acquiree's contingent liabilities assumed in the business merger:

Nil

Other notes:

Nil

(4). Profits or losses arising from the re -measurement of equity held before the acquisition date at fair value

Whether there was any transaction that realized a business merger step by step in a package deal and where the enterprise obtained control during the reporting period

□Applicable √Not applicable

(5). Relevant explanations on the circumstances where the merger consideration or the fair value of the acquiree's identifiable assets and liabilities could not be reasonably determined on the acquisition date or at the end of the current period

Applicable Not applicable

(6). Other statements

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 subsidiaries Yiwu Shangbo Data Intelligence Enterprise Management Co., Ltd., Yiwu Zheqing Trading Co., Ltd. and Yiwu China Commodities City (Spain) 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 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	Wholesale	100		Establishment
Yiwu Comprehensive Bonded Zone Operation and Management Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Business service	100		Establishment
Yiwu China Commodities City Overseas Investment and Development Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Business service	100		Establishment
Yiwu China Commodities City Tourism Development Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Business service	100		Establishment
Yiwu China Commodities City Assets Operation and Management Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Business service	100		Establishment
Zhejiang Yindu Hotel Management Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Business service	100		Establishment
Yiwu China Commodities City Research Institute Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Business service	100		Establishment
Yiwu Shangbo Shuzhi Enterprise 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 Industry	100		Establishment

Yiwu Commodities City Gonglian Property Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Real estate	100		Establishment
Yiwu Shangbo	Yiwu, Zhejiang	Yiwu, Zhejiang	Real estate	100		Establishment
Yiwu China Commodities City Information Technology Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	IT	100		Establishment
Yiwu China Commodities City Financial Holdings Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Service	100		Establishment
Yiwu China Commodities City Logistics and Warehousing Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Multimodal transport and transportation agency	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 Exhibition Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Business service	98	2	Establishment
Zhejiang Huajie Investment and Development Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Business service	96.4		Incorporation+acquisition
European Huajie Investment Development Co., Ltd.	Prague, Czech Republic	Prague, Czech Republic	Business service		96.4	Incorporation+acquisition
Zhejiang China Commodities City Group Commercial Factoring Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Service	60	40	Establishment
Zhejiang Yiwugou E-commerce Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	IT		51	Establishment
Yiwu Xinlian Technology Service Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Service		51	Establishment
Yiwu China Commodities City Payment Network Technology Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	IT		100	Establishment

Yiwu China Commodities City Advertising Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Advertising		100	Establishment
Yiwu International Trade Comprehensive Service Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Wholesale		60	Establishment
Yiwu China Commodities City Credit Investigation Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Service		85	Establishment
Yiwu Aiximao Supply Chain Management Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Service		100	Establishment
Yiwu Huanqiu yida 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
Yiwu China Commodities 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
Haicheng Yiwu China Commodities City Investment Development Co., Ltd.	Haicheng, Liaoning	Haicheng, Liaoning	Real estate	95		Establishment
Ningxia Yiwu China Commodities City Supply Chain Management Co., Ltd.	Shizuishan, Ningxia	Shizuishan, Ningxia	Service		100	Establishment
Yiwu China Commodities City (Hong Kong) International Trade Co., Ltd.	Hong Kong, China	Hong Kong, China	Wholesale		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 Zheqing Trading Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Wholesale		100	Establishment
Yiwu China Commodities City (Germany) Co., Ltd.	Frankfurt, Germany	Frankfurt, Germany	Service		100	Establishment
Yiwu China Commodities City (Spain) Co., Ltd.	Madrid, Spain	Madrid, Spain	Service		100	Establishment
Zhejiang Xunchi Digital Technology Co., Ltd.	Hangzhou, Zhejiang	Hangzhou, Zhejiang	IT	100		Acquisition
Kuaijietong Payment Service Co., Ltd.	Hangzhou, Zhejiang	Hangzhou, Zhejiang	IT		100	Acquisition

Explanation for the difference between the shareholding ratio and voting right ratio in a subsidiary:

Nil

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:

Nil

Basis for controlling important structured entities included in the consolidation scope:

Nil

Basis for determining whether a company is an agent or a principal:

Nil

Other notes:

Nil

(2). Important non-wholly-owned subsidiaries

√Applicable □Not applicable

Unit: RMB

Name of subsidiary	Shareholding ratio of minority shareholders Scale	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%	5,913,716.72	-	50,731,098.66
Haicheng Company	5%	-4,426,825.19	-	-47,419,869.20

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 Debt	Total liabilities
Zhejiang Yiwugou E-commerce Co., Ltd.	9,108.24	5,688.44	14,796.68	4,438.90	4.49	4,443.39	11,899.73	900.21	12,799.94	3,653.53	-	3,653.53
Haicheng Company	112,283.93	89,899.98	202,183.91	297,023.65	-	297,023.65	126,423.87	98,154.04	224,577.91	310,564.00	-	310,564.00

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.	4,881.33	1,206.88	1,206.88	2,240.52	4,747.83	659.45	659.45	-2,891.61
Haicheng Company	24,288.25	-8,909.95	-8,909.95	-1,114.29	898.01	-14,685.04	-14,685.04	11,694.15

Other notes:

Nil

(4). Significant restrictions on the use of enterprise group's assets and the settlement of enterprise group's debts

Applicable 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 associates

Applicable Not applicable

(1). Important joint ventures or associates

Applicable Not applicable

Unit: RMB

Name of joint venture or associate	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 Real Estate Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Real estate	49		Equity method
Yiwu Chuangcheng Real Estate Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Real estate	24		Equity method
Associate						
Yiwu Huishang Redbud Equity Investment Co., Ltd. (Note 5)	Yiwu, Zhejiang	Yiwu, Zhejiang	Commercial services		10.42	Equity method
Zhejiang Chouzhou Financial Lease Co., Ltd.	Hangzhou, Zhejiang	Yiwu, Zhejiang	Service	26		Equity method
Yiwu Huishang Redbud Phase II Investment Partnership (limited partnership) [Note 6]	Yiwu, Zhejiang	Yiwu, Zhejiang	Lease and business service	10.41		Equity method
Yiwu Hongyi Equity Investment Fund Partnership	Yiwu, Zhejiang	Yiwu, Zhejiang	Service		49.975	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
Zhejiang Zhijie Yuangang International Supply Chain Technology Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Technology promotion and application service industry	27		Equity method

Explanation for the difference between the shareholding ratio and voting right ratio in a joint venture or associate:

Nil

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 5: The Company held 10.42% (2021: 10.42%) of equity of Yiwu Huishang Redbud Equity Investment Co., Ltd. (hereinafter referred to as "Redbud Equity Investment"), but regarded it as an associated company 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 6: The Company held 10.41% (2021: 9.43%) equity of Yiwu Huishang Redbud Phase II Investment Partnership (limited partnership) ("Redbud Phase II"), but regarded 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 could exert significant influence on Redbud Phase II of which it held 10.41% equity.

(2). Main financial information of important joint ventures

√Applicable □Not applicable

Unit: RMB10,000

	Closing balance/amount in the current period			Opening balance/amount in the previous period		
	Yiwu Shanglv	Yiwu Rongshang Real Estate	Yiwu Chuangcheng Real Estate	Yiwu Shanglv	Yiwu Rongshang Real Estate	Yiwu Chuangcheng Real Estate
Current assets	6,039.08	13,547.12	47,538.36	9,499.55	564,093.80	385,685.30
In which: cash and cash equivalents	4,316.44	198.23	540.41	1,720.42	23,898.97	37,501.70
Non-current assets	129,575.34	-	2.12	133,261.86	8,395.40	5,324.96
Total assets	135,614.42	13,547.12	47,540.47	142,761.41	572,489.20	391,010.26
Current liabilities	39,891.24	148.98	34,353.43	37,527.54	528,124.40	354,317.21
Non-current liabilities	11,566.36	-	1,333.17	23,695.72	-	-
Total liabilities	51,457.60	148.98	35,686.60	61,223.26	528,124.40	354,317.21
Shareholders' equity attributable to parent company	84,156.82	13,398.14	11,853.87	81,538.15	44,364.80	36,693.05
Share of net assets calculated based shareholding ratio	41,236.84	6,565.09	2,844.93	39,953.69	21,738.75	8,806.33
Adjustments	-1,539.60	-	-	-1,586.85	-	-
--unrealized profits of internal transactions	-1,539.60	-	-	-1,586.85	-	-
Book value of equity investment in joint ventures	39,697.24	6,565.09	2,844.93	38,366.84	21,738.75	8,806.33
Operating revenue	17,580.08	395,959.62	302,152.46	23,511.11	272,636.85	199,877.07
Financial expenses	1,608.93	-0.94	-33.92	2,436.46	-384.84	-213.22
Net profits	2,618.68	87,577.34	56,192.82	3,543.88	39,544.26	31,495.95
Total comprehensive income	2,618.68	87,577.34	56,192.82	3,543.88	39,544.26	31,495.95
Dividends received from joint ventures this year	-	58,086.56	19,447.68	-	-	-

Other statements
Nil

(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				
	Chouzhou Financial Lease	Hongyi Fund	CCCP	Pujiang Lvgu	Zhijie Yuangan	Chouzhou Financial Lease	Hongyi Fund	CCCP	Pujiang Lvgu	Zhijie Yuangan
Current assets	77,387.23	25,476.19	1,752,170.30	121,318.40	45,894.85	77,805.80	21,730.37	1,492,712.71	122,804.10	-
Non-current assets	1,605,298.30	163,831.11	43,109.75	777.45	137.68	1,356,968.91	155,970.63	42,919.44	459.02	-
Total assets	1,682,685.53	189,307.30	1,795,280.05	122,095.85	46,032.53	1,434,774.71	177,701.00	1,535,632.15	123,263.12	-
Current liabilities	1,132,279.05	89.88	1,029,256.12	45,646.63	2,363.50	1,020,585.17	37.71	915,862.90	31,456.60	-
Non-current liabilities	362,250.51	-	147,172.22	-	-	250,335.36	-	49,089.63	-	-
Total liabilities	1,494,529.55	89.88	1,176,428.34	45,646.63	2,363.50	1,270,920.53	37.71	964,952.53	31,456.60	-
Shareholders' equity attributable to parent company	188,155.98	189,217.42	618,851.71	76,449.22	43,669.03	163,854.18	177,663.29	570,679.62	91,806.52	-
Share of net assets calculated based shareholding ratio	48,920.55	94,570.87	303,237.34	37,460.12	11,790.64	42,602.08	88,796.11	279,633.01	44,985.19	-
Adjustments	-	-6.66	-4,689.27	423.84	2,765.71	-	-8.88	-3,939.17	942.95	-
--unrealized profits of internal transactions	-	-6.66	-4,689.27	423.84	2,765.71	-	-8.88	-3,939.17	942.95	-
Book value of equity investment in joint ventures	48,920.55	94,564.21	298,548.07	37,883.96	14,556.34	42,602.08	88,787.23	275,693.84	45,928.14	-
Operating revenue	56,469.66	-	209,890.13	9,831.72	2,554.69	43,115.27	177.83	138,101.44	90,893.54	-
Net profits	24,301.81	10,670.77	43,105.17	2,642.70	-1,330.97	20,984.32	9,749.03	14,621.40	16,246.73	-
Total comprehensive income	24,301.81	10,655.05	43,105.17	2,642.70	-1,330.97	20,984.32	9,749.03	14,621.40	16,246.73	-

Dividend on associates received in the current year	-	-	-	8,820.00	-	-	-	-	-	-
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Other statements
Nil

(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	107,724,158.88	56,813,304.76
Total amounts of the following items calculated based on shareholding ratio		
--Net profits	50,910,854.11	23,678,584.58
--Other comprehensive income	-	-
--Total comprehensive income	50,910,854.11	23,678,584.58
Associates:		
Total book value of investments	489,944,751.13	461,933,497.77
Total amounts of the following items calculated based on shareholding ratio		
--Net profits	15,004,810.36	25,663,075.10
--Other comprehensive income	4,139,085.99	-
--Total comprehensive income	19,143,896.35	25,663,075.10

Other statements

Nil

(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:

December 31, 2022

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
Cash and cash equivalents	-	1,991,298,971.30	-	1,991,298,971.30
Held-for-trading financial assets	62,331,000.66	-	-	62,331,000.66
Accounts receivable	-	210,750,725.36	-	210,750,725.36
Other receivables	-	419,398,092.62	-	419,398,092.62
Other current assets	-	369,222,394.29	-	369,222,394.29
Debt investments	-	48,079,561.64	-	48,079,561.64
Long-term receivables	-	278,299,600.73	-	278,299,600.73
Other non-current assets	-	138,253,316.00	-	138,253,316.00
Other equity instruments investment	-	-	499,200,803.85	499,200,803.85
Other non-current financial assets	1,500,307,562.13	-	-	1,500,307,562.13
	<u>1,562,638,562.79</u>	<u>3,455,302,661.94</u>	<u>499,200,803.85</u>	<u>5,517,142,028.58</u>

Financial liabilities

Short-term borrowings		Other financial liabilities
Accounts payable		1,059,287,361.11
Other payables		1,191,314,404.15
Non-current liabilities due within one year		1,325,596,105.43
Other current liabilities		86,852,293.01
Long-term borrowings		3,473,907,027.00
Bonds payable		404,500,000.00
Lease liabilities		3,497,416,819.75
		<u>206,623,735.97</u>
		<u>11,245,497,746.42</u>

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	Measured at amortized cost	measured at fair value and whose changes are included in other comprehensive income	Total
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	the current period Requirements in the standard		Designated	
Cash and cash equivalents	-	4,831,468,386.25	-	4,831,468,386.25
Held-for-trading financial assets	75,375,083.20	-	-	75,375,083.20
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>1,600,194,338.61</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>

2. Financial risk tools

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.

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, 2022, 59.75% of the Group's debts would be due within one year (December 31, 2021: 87.59%). The following table summarizes the analysis on the due day of financial liabilities based on non-discounted contractual cash flows:
December 31, 2022

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	2,754,166.67	304,518,333.33	759,490,833.33	-	-	1,066,763,333.33
Accounts payable	957,474,259.60	233,840,144.55	-	-	-	1,191,314,404.15
Other payables	835,667,583.73	-	-	489,928,521.70	-	1,325,596,105.43
Other current liabilities	401,658,433.30	1,009,863,013.70	2,028,865,753.42	-	-	3,440,387,200.42
Non-current liabilities due within one year	24,998,166.53	41,488,904.11	20,019,287.68	-	-	86,506,358.32
Long-term borrowings	943,458.33	1,886,916.67	8,491,125.00	233,761,125.00	257,210,555.56	502,293,180.56
Bonds payable	-	-	-	3,486,038,427.42	-	3,486,038,427.42
Total	2,223,496,068.16	1,591,597,312.36	2,816,866,999.43	4,209,728,074.12	257,210,555.56	11,098,899,009.63
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	1,337,432,161.48	-	-	571,310,673.67	-	1,908,742,835.15
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	1,779,870,241.72	369,047,622.42	7,425,157,642.67	1,356,988,838.25	-	10,931,064,345.06

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, 2022, there are long-term loans of RMB 405 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. 7.94% (2021: 0.86%) 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 92.06% (2021: 99.14%) 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, 2022, 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 2022	2022 Highest/lowest	At the end of 2021	2021 Highest/lowest
SZSE-A Share Index	2,067	2,661/1,804	2,648	2,691/2,229
SSE-A Share Index	3,238	3,827/3,001	3,814	3,912/3,472

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.

2022

	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	499,200,803.85	-	37,440,060.29	37,440,060.29
Shanghai - Equity instrument investment at fair value through profit or loss	23,651,565.00	1,773,867.38	-	1,773,867.38

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

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. From 2021 to 2022, 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	23,651,565.00	-	38,679,435.66	62,331,000.66
1. Financial assets that are measured at fair value and whose changes are included in the current profit and loss	23,651,565.00	-	38,679,435.66	62,331,000.66
(2) Investment in equity instruments	23,651,565.00	-	-	23,651,565.00
(4) Bank wealth management products	-	-	38,679,435.66	38,679,435.66
(3) Other equity instruments investment	499,200,803.85	-	-	499,200,803.85
(vi) Other non-current financial assets	-	875,102,686.90	625,204,875.23	1,500,307,562.13
Total assets continuously measured by fair value	522,852,368.85	875,102,686.90	663,884,310.89	2,061,839,366.64

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 2022.

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, 2022, 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 wealth management products and equity investments in non-listed companies for which the comparable company multiplier method cannot be used. Wealth management products are determined by the discounted cash flow valuation model. The Group will also consider the initial transaction price, recent transactions of the same or similar financial instruments, or complete third-party transactions of comparable financial instruments. Adjustments to the assessment model are made based on changes in liquidity, liquidity, default risk, and market, economic, or company-specific circumstances. The fair value of the equity investments in non-listed companies for which the comparable company multiplier method cannot be used are determined under the net asset-based method as of December 31, 2022.

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, 2022

	Entries used in the fair value measurement			
	Quotation in an active market	Important observable entry	Important non-observable entry	
	Level 1	Level 2	Level 3	Total
Bonds payable (current portion included)		3,544,625,864.62		3,544,625,864.62

9. Others

Applicable Not applicable

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	
	2022	2021	2022	2021
Financial liabilities				
Bonds payable (current portion included)	<u>3,558,925,011.54</u>	<u>3,552,960,829.66</u>	<u>3,544,625,864.62</u>	<u>3,549,754,103.37</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	55.38	55.38

Notes on the parent company of the Company

Nil

The ultimate controlling party of this enterprise is the State-owned Assets Supervision and Administration Office of Yiwu Municipal People's Government.

Other notes:

Nil

2. Subsidiaries of the Company

For details of the Company's subsidiaries, please refer to the Notes

√Applicable □Not applicable

For details, 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
Yiwu Huishang Redbud Capital Management Co., Ltd.	Joint venture
Yiwu China Commodities City Creative Design and Development Services Co., Ltd.	Joint venture
Yiwu Guoshen Shangbo Property Co., Ltd.	Joint venture
Yiwu Rongshang Real Estate Co., Ltd.	Joint venture
Hangzhou Binjiang Shangbo Property Development Co., Ltd.	Associate
Huishang Micro-finance	Associate
Zhejiang Yemai Data Technology Co., Ltd.	Associate
Yiwu Meipinshu Supply Chain Management Co., Ltd.	Associate
JEBEL ALI FREE ZONE TRADER MARKET DEVELOPMENT AND OPERATION FZCO	Associate
Yiwu Digital Port Technology Co., Ltd.	Associate
CCCP	Associate
Hangzhou MicroAnts Co., Ltd.	Associate
Yiwu Huishang Redbud Equity Investment Co., Ltd.	Associate

Zhejiang Zhijie Yuangang International Supply Chain Technology Co., Ltd.	Associate
Yiwu Heimahui Enterprise Service Co., Ltd.	Associate
Yiwu Shangfu Chuangzhi Investment Center (limited partnership)	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
Yiwu Market Development Group Co., Ltd.	Controlling shareholder 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
Yiwu Agriculture Development Co., Ltd.	Subsidiary of controlling shareholder of the Company's largest shareholder
Zhejiang Yiwu Rural Economic Development Co., Ltd.	Subsidiary of controlling shareholder of the Company's largest shareholder
Yiwu Market Development Service Center Co., Ltd.	Subsidiary of controlling shareholder of the Company's largest shareholder
Yiwu China Commodities City Property Service Co., Ltd.	Subsidiary of the Company's largest shareholder
Yiwu Handing Shangbo Real Estate Co., Ltd.	Subsidiary of the Company's largest shareholder
Yiwu Gongchen Shangbo Property Co., Ltd.	Subsidiary of the Company's largest shareholder
Yiwu Shangbo Yungu Enterprise Management Co., Ltd.	Subsidiary of the Company's largest shareholder
Yiwu Tonghui Shangbo Real Estate Co., Ltd.	Subsidiaries of joint ventures
Yiwu Gongchen Shangbo Property Co., Ltd.	Subsidiaries of joint ventures
Yiwu Chengzhen Property Co., Ltd.	Subsidiaries of joint ventures
Yisha Chengdu International Trade City Co., Ltd.	Minority shareholder of major subsidiaries

Other statements

Nil

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	Approved transaction amount (if applicable)	Whether the transaction limit is exceeded (if applicable)	Amount in the previous period
Yiwu China Commodities City Property Service Co., Ltd.	Property service fee and greening maintenance fee	184,739,755.70			13,721,576.38
Yiwu Security Service Co., Ltd.	Exhibition security service fee	28,188,230.28			23,279,926.97
Yiwu Digital Port Technology Co., Ltd.	Technical service fee and hardware equipment fee	4,948,197.00			-
Yiwu China Commodities City Creative Design and Development Services Co., Ltd.	Design fee	3,472,843.99			1,953,465.33
Zhejiang Yemai Data Technology Co., Ltd.	Purchase payment and platform service fee	2,291,695.43			-
Yiwu Agriculture Development Co., Ltd.	Purchase payment	2,042,604.35			-
Yiwu Shangbo Yungu Enterprise Management Co., Ltd.	Construction fee	1,100,800.00			-

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
Yiwu China Commodities City Property Service Co., Ltd.	Sales of goods	2,175,245.60	-
MDG and its branch Xingfuhu International Conference Center	Laundrying fees	1,054,026.05	1,594,054.55
Yiwu Meipinshu Supply Chain Management Co., Ltd.	Procurement agency	-	231,822.45

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	Feb 1, 2020	Jan 31, 2025	Negotiated price	514,979.27

Notes on entrustment/contracting from related parties

Applicable Not applicable

According to the Yourworld International Conference Center Management Contract signed by and between the Company and the Market Development Group, the Company is entrusted to manage Yourworld International Conference Center Hotel located at No. 100, Xingfuhu Road, Yiwu City. The hotel management fee collected during the reporting period was RMB 514,979.27 (2021: RMB 1,453,314.18)

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
Yiwu Shanglv	Office space	1,376,146.79	-
CCCP	Office space	1,126,617.29	3,767,104.11
Yiwu Market Development Service Center Co., Ltd.	Parking lot	516,288.99	-
Yiwu Huishang Redbud Capital Management Co., Ltd.	Office space	246,819.06	-
Yiwu Meipinshu Supply Chain Management Co., Ltd.	Office space	207,058.99	-
Yiwu China Commodities City Property Service Co., Ltd.	Office space	122,445.99	-
Huishang Micro-finance	Office space	49,791.48	103,301.70

The Company as the lessee

√Applicable □Not applicable

Unit: RMB

lessor name	Type of leased asset	Simplified treatment of rental expenses for short-term leases and leases of low-value assets (if applicable)		Variable lease payments not included in the measurement of the lease liability (if applicable)		Rent paid		Interest expense on lease liability assumed		Increased right-of-use assets	
		Amount in the current period	Amount in the previous period	Amount in the current period	Amount in the previous period	Amount in the current period	Amount in the previous period	Amount in the current period	Amount in the previous period	Amount in the current period	Amount in the previous period
CCC H	Warehouses	15,015,618.37	3,947,798.16	-	-	16,378,272.00	15,210,700.00	-	-	-	-

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	94,799,347.65	Jul 1, 2015	Dec 15, 2026	No

The Company as the guaranteed party

□Applicable √Not applicable

Notes on related-party guarantees

√Applicable □Not applicable

The Group provided guarantee for the borrowings of Yiwu Shanglv. As of December 31, 2022, Yiwu Shanglv actually borrowed RMB 193.4681 million (Dec 31, 2021: RMB 296.5056 million) from banks. According to the guarantee contract, the Group assumed guarantee liability for RMB 94.7993 million (Dec 31, 2021: RMB 145.2877 million). SCO provided a counter-guarantee

(5). Related-party lending and borrowing

√Applicable □Not applicable

Unit: RMB

Related party	Amount	Starting date	Maturity date	Description of
Borrowings				
Huangyuan Shangbo	436,100,000.00	Jul 31, 2020		The Group allocated a total of RMB 436,100,000.00 of surplus funds from Huangyuan Shangbo in 2020, and allocated a total of RMB 171,500,000.00 of surplus funds from Huangyuan Shangbo in 2021. The allocations were based on the share holding rate and the annual interest rate was 0%. As of December 31, 2022, RMB 580,865,600.00 was converted into dividends, and the remaining RMB 26,734,400.00 was transferred back to Huangyuan Shangbo.
Huangyuan Shangbo	171,500,000.00	Jan 26, 2021		Ditto
Chengzhen Property	27,200,000.00	Oct 22, 2020		The Group allocated a total of RMB 27,200,000.00 of surplus funds from Chengzhen Real Estate in 2020, a total of RMB172,800,000.00 of surplus funds from Chengzhen Real Estate in 2021, and a total of RMB 72,000,000.00 of surplus funds from Chengzhen Real Estate in 2022. The allocations were based on the share holding rate and the annual interest rate was 0%. As of December 31, 2022, RMB 18,720,000.00 was transferred back, of which RMB 194,476,800.00 was converted into dividends, and the return date of the remaining funds would be determined according to the fund needs of Chengzhen Real Estate projects.
Chengzhen Property	172,800,000.00	Jan 26, 2021		Ditto
Chengzhen Property	72,000,000.00	Jan 18, 2022		Ditto

Yiwu Guoshen Shangbo Property Co., Ltd.	230,600,000.00	Dec 31, 2022		In 2022, the Group transferred a total of RMB 230,600,000.00 from Guoshen Shangbo according to the shareholding ratio, at the annual interest rate of 0%. The due date would be determined according to the funding needs of Guoshen Shangbo projects.
Yiwu Rongshang Real Estate Co., Ltd.	64,418,683.00	Jun 30, 2022		The Company received a pre-dividend of RMB 64,418,683.00 from Rongshang Real Estate in 2022, and the specific date of repayment of funds would be determined according to the distribution of dividend resolutions.
Huishang Zijing	4,500,000.00	Dec 31, 2021		The Company received a pre-dividend of RMB 4,500,000.00 from Huishang Redbud in 2021, and a pre-dividend of RMB12,000,000.00 from Huishang Redbud in 2022. The specific date of return of funds would be determined according to the distribution of dividend resolutions.
Huishang Zijing	12,000,000	Dec 31, 2022		Ditto

Related party	Amount	Starting date	Maturity date	Description of
Lending to				
Yiwu Tonghui Shangbo Real Estate Co., Ltd.	742,568,548.00	Nov 17, 2020		In 2020, the Group provided a total of RMB 742,568,548.00 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 repaid all the funds as of December 31, 2022.
Yiwu Tonghui Shangbo Real Estate Co., Ltd.	138,160,000.00	Feb 26, 2021		Ditto
Yiwu Handing Shangbo Real Estate Co., Ltd.	204,604,400.00	Dec 11, 2020		In 2020, the Group provided financial assistance to Handing Shangbo totaling RMB 204,604,400.00, and in 2021, the Group provided financial assistance to Handing Shangbo totaling RMB 17,845,800.00, with an annual interest rate of 6%. Handing Shangbo repaid RMB 14,700,000.00 successively in 2022.
Yiwu Handing Shangbo Real Estate Co., Ltd.	17,845,800.00	May 11, 2021		Ditto
JEBEL ALI FREE ZONE TRADER MARKET DEVELOPMENT AND OPERATION FZCO	63,465,484.42	Mar 9, 2020		In 2020, the Group provided JEBEL ALI FREE ZONE TRADER MARKET DEVELOPMENT AND OPERATION FZCO financial assistance totaling RMB 63,465,484.42; in 2021, the Group provided it with financial assistance totaling RMB 109,636,517.09; in 2022, the Group provided it with financial assistance totaling RMB 41,772,885.00, all at an annual interest rate of 6-month average EIBOR plus 5%. The repayment term of the financial assistance would be determined based on the

				progress of the project.
JEBEL ALI FREE ZONE TRADER MARKET DEVELOPMENT AND OPERATION FZCO	109,636,517.09	Mar 31, 2021		Ditto
JEBEL ALI FREE ZONE TRADER MARKET DEVELOPMENT AND OPERATION FZCO	41,772,885.00	May 12, 2022		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	17,759,375.82	23,333,482.40

(8). Other related-party transactions

Applicable Not applicable

Related party entrusted loan

Unit: RMB

Unit	2022	2021
Yisha Chengdu International Trade City Co., Ltd.	48,000,000.00	-

After deliberation and approval at the fifth meeting of the ninth Board of Directors held by the Group on December 15, 2022, Yiwugou, an indirectly controlled subsidiary of the Group, provided an entrusted loan of RMB 48 million yuan to Yisha Chengdu International Trade City Co., Ltd., a minority shareholder of Yiwugou, in the form of monetary funds through Yiwu Branch of Agricultural Bank of China Co., Ltd., with a term of 2 years and an annual interest rate of 5.5%.

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	61,573.54	6,200,000.00	-
Accounts receivable	Yourworld International Conference Center	168,814.20	1,676.53	369,743.93	-

	Company of Yiwu Market Development Group Co., Ltd.				
Accounts receivable	Yiwu Gongchen Shangbo Property Co., Ltd.	-	-	97,351.08	-
Accounts receivable	CCCP	-	-	9,000.00	-
Total		6,368,814.20	63,250.07	6,676,095.01	-
Other receivables-interest receivable	Tonghui Shangbo	-	-	92,249,275.44	-
Total		-	-	92,249,275.44	-
Other receivables	Handing Shangbo	207,750,200.00	-	222,450,200.00	-
Other receivables	Tonghui Shangbo	116,036,712.09	-	-	-
Other receivables	Yiwu Gongchen Shangbo Property Co., Ltd.	562,755.00	-	-	-
Other receivables	Hangzhou MicroAnts Co., Ltd.	1,288.00	-	-	-
Other receivables	Tonghui Shangbo	-	-	880,728,548.00	-
Total		324,350,955.09	-	1,195,428,023.44	-
Debt investments	Yisha Chengdu International Trade City Co., Ltd.	48,079,561.64	-	-	-
Total		48,079,561.64	-	-	-
Long-term receivables	Yiwu Shanglv	36,750,000.00	-	41,650,000.00	-
Long-term receivables	JEBEL ALI FREE ZONE TRADER MARKET DEVELOPMENT AND OPERATION FZCO	233,127,115.20	-	173,102,001.51	-
Total		269,877,115.20	-	214,752,001.51	-

(2). Payables

√Applicable □Not applicable

				Unit: RMB	
Item	Related party	Closing book balance	Opening book balance		
Accounts payable	Yiwu China Commodities City Property Service Co., Ltd.	6,653,942.97		-	
Accounts payable	Yiwu Agriculture Development Co., Ltd.	1,791,720.12		-	
Accounts payable	Yiwu Security Service Co., Ltd.	919,817.45		-	
Accounts payable	Zhejiang Yemai Data Technology Co., Ltd.	713,020.54		176,873.43	
Total		10,078,501.08		176,873.43	
Advance from customers	Yiwu China Commodities City Property Development Co., Ltd.	583,018.86		612,288.99	
Advance from customers	Yiwu Digital Port Technology Co., Ltd.	-		112,281.94	

Advance from customers	Redbud Capital	-	82,273.06
Advance from customers	Yiwu China Commodities City Property Service Co., Ltd.	-	32,052.85
Advance from customers	Yiwu Meipinshu Supply Chain Management Co., Ltd.	-	31,195.06
Advance from customers	Huishang Micro-finance	-	20,798.09
Total		583,018.86	890,889.99
Contract liabilities	Yiwu China Commodities City Property Service Co., Ltd.	94,027.70	332.00
Contract liabilities	Zhejiang Yiwu Rural Economic Development Co., Ltd.	84,905.66	-
Contract liabilities	Yiwu Digital Port Technology Co., Ltd.	35,519.71	22,205.25
Contract liabilities	Huishang Micro-finance	11,792.46	7,966.42
Contract liabilities	Yiwu Security Service Co., Ltd.	974.76	2,004.40
Total		227,220.29	32,508.07
Other payables	Yiwu Guoshen Shangbo Property Co., Ltd.	230,600,000.00	-
Other payables	Yiwu Rongshang Real Estate Co., Ltd.	64,418,683.00	-
Other payables	Yiwu Chengzhen Property Co., Ltd.	58,803,200.00	200,000,000.00
Other payables	Yiwu Huishang Redbud Equity Investment Co., Ltd.	16,500,000.00	4,500,000.00
Other payables	CCCP	240,000.00	240,000.00
Other payables	Yiwu Shangbo Yungu Enterprise Management Co., Ltd.	200,000.00	-
Other payables	Zhejiang Zhijie Yuangang International Supply Chain Technology Co., Ltd.	150,000.00	-
Other payables	Yiwu Shanglv Investment Development Co., Ltd.	108,333.33	75,000.00
Other payables	Yiwu Heimahui Enterprise Service Co., Ltd.	100,000.00	-
Other payables	Yourworld International Conference Center Company of Yiwu Market Development Group Co., Ltd.	78,908.97	63,334.76
Other payables	Yiwu Meipinshu Supply Chain Management Co., Ltd.	57,000.00	57,000.00
Other payables	Hangzhou MicroAnts Co., Ltd.	26,000.00	-
Other payables	Zhejiang Yemai Data Technology Co., Ltd.	21,328.50	-
Other payables	Yiwu Security Service Co., Ltd.	14,740.00	-
Other payables	Yiwu China Commodities City Trading Co., Ltd.	2,500.00	-
Other payables	Huangyuan Shangbo	-	607,600,000.00
Other payables	Yiwu Shangfu Chuangzhi Investment Center (limited partnership)	-	34,000,500.00
Other payables	Hangzhou Binjiang Shangbo Property Development Co., Ltd.	-	14,700,000.00
Other payables	Huishang Micro-finance	-	33,000.00
Other payables	Yiwu Digital Port Technology Co., Ltd.	-	26,300.00
Other payables	Yiwu Gongchen Shangbo Property Co., Ltd.	-	3,000.00
Total		371,320,693.80	861,298,134.76

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	-
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	5,200,000.00
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	NA
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	The grant prices were RMB 2.94 and RMB 2.39, respectively, both in 60 months from the date of grant registration

Other statements

Nil

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	NA
Cumulative amount of equity-settled share-based payments included in the capital reserve	63,106,263.66
Total amount of expenses recognized by equity-settled share payments in the current period	27,154,798.61

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 Stock 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 1,220,000 restricted shares 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.

On September 6, 2021, Zhejiang Zhicheng Certified Public Accountants (Special General Partnership) issued the capital verification report (Zhezhihuiyizi [2021] No. 17): The Company has received a total of RMB 5,592,600.00 for subscription of restricted shares from 31 restricted stock 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 stock 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 stock 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

Capital commitments	2022	2021
Signed but not provided	3,451,663,094.71	2,165,863,780.60

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 Group") jointly established an industry fund Yiwu China Commodities City Fuxing Investment Center (limited partnership) (hereinafter referred to as the "FoF"). The FoF as a limited partner invested in 12 sub-funds including Yiwu Shangfu Chuangzhi Investment Center (limited partnership) ("Shangfu Chuangzhi Fund"). CCCC 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. CCCC 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, CCCC has separately subscribed for and paid in capital contribution of RMB617.51million. In addition, neither the Group nor CCCC 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, CCCC 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 reporting date, the equity was still frozen by the Shanghai Municipal Public Security Bureau.

As of the date of this report, 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, CCCC, FoF and its sub-funds.

In addition, as of December 31, 2022, the Group had other investment commitments totaling RMB 281.99 million (December 31, 2021: RMB 1.28078 billion).

2. Contingencies

(1). Important contingencies on the balance sheet dates

√Applicable □Not applicable

Unit: RMB

Item	2022	2021
Contingent liabilities resulting from the guarantee provided externally	99,645,681.29	158,634,169.67

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, 2022, the unsettled guarantee amount was

RMB 4,846,333.64 (December 31, 2021: RMB 5,063,333.60). 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, 2022, Yiwu Shanglv actually borrowed RMB 193,468,056.42 (December 31, 2021: 296,505,577.63) from banks in total. According to the agreement of the guarantee contract, it assumed the guarantee liability of RMB 94,799,347.65 (December 31, 2021: RMB 145,287,733.04) for the Agricultural Bank of China Yiwu Branch. SCO provided a counter-guarantee for this 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	Reasons for inability to estimate the effect
Issuance of super-short-term financing bonds	On March 16, 2023, the Company issued 179-day Zhejiang China Commodities City Group Co., Ltd.'s 2023 super-short-term financing bond (Issue 1) for RMB 1 billion at the rate of 2.85%.		

2. Profit distribution

Applicable Not applicable

Unit: RMB

Profits or dividends to be distributed	356,594,821.44
Profits or dividends announced through deliberation and approval	356,594,821.44

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	1,964	4,962	190	86	418	-	7,620
Revenue from inter-division transactions	38	140	8	23	78	287	-
Profits before tax	1,174	29	-46	-8	-11	-13	1,151
Total assets	40,624	1,199	440	176	10,127	20,454	32,112
Total liabilities	25,052	1,060	478	97	5,064	14,922	16,829
Capital expenditures	1,501	1	2	3	2,378	-	3,885
Long-term equity investment in joint ventures and associates	4,805	1	-	-	1,227	-	6,033

(3). If the Company does not have reporting divisions or is unable to disclose the total assets and total liabilities of each division, please explainApplicable 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	
In which: sub-items	
Within 1 year	20,584,932.68
Within 1 year	20,584,932.68
1 to 2 years	1,764,722.07
2 to 3 years	100,234.00
Over 3 years	-
Total	22,449,888.75

(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	-	-	-	-	-	-	-	-	-	-
Accounts receivable for which bad debt provision is made by group	22,449,888.75	100.00	417,498.04	1.86	22,032,390.71	23,657,185.16	100.00	27,502.47	0.12	23,629,682.69
Among them:										
Accounts receivable for which the bad debts are provided by combination of credit risk characteristics	22,449,888.75	100.00	417,498.04	1.86	22,032,390.71	23,657,185.16	100.00	27,502.47	0.12	23,629,682.69
Total	22,449,888.75	/	417,498.04	/	22,032,390.71	23,657,185.16	/	27,502.47	/	23,629,682.69

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	22,449,888.75	417,498.04	1.86
Total	22,449,888.75	417,498.04	1.86

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

Account age	2022			2021		
	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	20,584,932.68	1.85	380,030.68	23,204,362.72	0.01	50.87
1 - 2 years	1,764,722.07	1.76	30,982.21	100,234.00	0.29	286.13
2 - 3 years	100,234.00	6.47	6,485.15	352,588.44	7.70	27,165.47
Total	22,449,888.75		417,498.04	23,657,185.16		27,502.47

(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	27,502.47	762,218.41	372,222.84	417,498.04
Total	27,502.47	762,218.41	372,222.84	417,498.04

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
Other receivables	329,607,469.39	1,114,837,610.55
Total	329,607,469.39	1,207,086,885.99

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
Total	-	92,249,275.44

(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	

In which: sub-items	
Within 1 year	4,851,948.94
Within 1 year	4,851,948.94
1 to 2 years	419,739.44
2 to 3 years	322,708,656.80
Over 3 years	2,415,046.44
Bad debt provision for other receivables	-787,922.23
Total	329,607,469.39

(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	323,786,912.09	1,103,178,748.00
Withholdings, deposit and margin	5,772,216.82	11,391,654.06
Reserve	48,340.48	267,208.49
Total	329,607,469.39	1,114,837,610.55

(3). Bad debt provision√Applicable Not applicable

Unit: RMB

Bad debt provision	Stage 1	Stage 2	Stage 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 at January 1, 2022	893,309.10			893,309.10
Balance as of January 1, 2022 in current period				
Provision made in the current period	26,743.27			26,743.27
Current reversal	128,241.54			128,241.54
Current write-off	3,888.60			3,888.60
Balance as of December 31, 2022	787,922.23			787,922.23

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	893,309.10	26,743.27	128,241.54	3,888.60	787,922.23
Total	893,309.10	26,743.27	128,241.54	3,888.60	787,922.23

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

Unit: RMB

Item	Amount written-off
Other receivables actually written off	3,888.60

Of which, important write-offs of other receivables:

Applicable Not applicable

Notes on the write-off of other receivables:

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 Handing Shangbo Real Estate Co., Ltd.	Financial assistance	207,750,200.00	2-3 years	62.88	
Yiwu Tonghui Shangbo Real Estate Co., Ltd.	Financial assistance	116,036,712.09	2-3 years	35.12	
Yiwu China Commodities City Information Technology Co., Ltd.	Current accounts	648,400.16	Within 1 year	0.20	
Zhejiang Yuntong Advertising Co., Ltd.	Current accounts	596,580.00	Over 3 years	0.18	596,580.00
Yiwu Market Development Service Center Co., Ltd.	Current accounts	562,755.00	Within 1 year	0.17	
Total	/	325,594,647.25	/	98.55	596,580.00

(7). Receivables involving government grantsApplicable 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	4,980,206,448.14	570,000,000.00	4,410,206,448.14	4,190,057,937.33	570,000,000.00	3,620,057,937.33
Investment in associates and joint ventures	4,800,215,865.20	-	4,800,215,865.20	4,625,942,083.47	-	4,625,942,083.47
Total	9,780,422,313.34	570,000,000.00	9,210,422,313.34	8,816,000,020.80	570,000,000.00	8,246,000,020.80

(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 Financial Holdings Co., Ltd.	2,198,447,939.64	40,978,302.76		2,239,426,242.40	-	
Haicheng Yiwu China Commodities City Investment Development Co., Ltd.	570,714,398.12	562,987.97		571,277,386.09	-	570,000,000.00
Yiwu Shangbo	300,000,000.00	-		300,000,000.00	-	
Yiwu Commodities City Gonglian Property Co., Ltd.	200,000,000.00			200,000,000.00	-	
Zhejiang China Commodities City Group Commercial Factoring Co., Ltd.	120,000,000.00	59,576.13		120,059,576.13	-	
Yiwu China Commodities City Big Data Co., Ltd.	101,431,713.08	1,552,922.55		102,984,635.63	-	

Yiwu China Commodities City Import and Export Co., Ltd.	101,431,713.08	902,299.59		102,334,012.67	-	
Yiwu China Commodities City Supply Chain Management Co., Ltd.	100,796,692.53	468,626.60		101,265,319.13	-	
Yiwu China Commodities City Overseas Investment and Development Co., Ltd.	100,790,663.70	749,590.26		101,540,253.96	-	
Yiwu China Commodities City Tourism Development Co., Ltd.	71,432,375.17	29,545,583.97		100,977,959.14	-	
Yiwu China Commodities City Logistics and Distribution Co., Ltd.	63,381,789.92	38,549,367.17		101,931,157.09	-	
Zhejiang Huajie Investment and Development Co., Ltd.	61,860,722.12	12,562,375.41		74,423,097.53	-	
Yiwu China Commodities City Information Technology Co., Ltd.	50,594,000.00	371,115.90		50,965,115.90	-	
Hangzhou Shangbo Nanxing Property Co., Ltd.	50,000,000.00	-		50,000,000.00	-	
Yiwu China Commodities City Exhibition Co., Ltd.	18,857,277.74	1,168,783.16	360,000.00	19,666,060.90	-	
Yiwu Comprehensive Bonded Zone Operation and Management Co., Ltd.	18,692,136.32	17,976,554.04		36,668,690.36	-	
Yiwu China Commodities City Assets Operation and Management Co., Ltd.	10,000,000.00	1,375,213.90		11,375,213.90	-	
Yiwu China Commodities City Advertising Co., Ltd.	39,983,736.30	-	39,983,736.30	-	-	
Yiwu China Commodities City Research Institute Co., Ltd.	5,795,057.77	5,413,134.72		11,208,192.49	-	
Zhejiang Yindu Hotel Management Co., Ltd.	5,747,721.84	7,786,830.09		13,534,551.93	-	
Yiwu China Commodities City Commerce and Trade Service Training Center Co., Ltd.	100,000.00	500,000.00		600,000.00	-	
Yiwu Shangbo Shuzhi Enterprise Management Co., Ltd.	-	225,600,000.00		225,600,000.00	-	

Zhejiang Xunchi Digital Technology Co., Ltd.	-	444,368,982.89		444,368,982.89	-	
Total	4,190,057,937.33	830,492,247.11	40,343,736.30	4,980,206,448.14	-	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	Closing balance of impairment provision
		Additional investment	Decrease in investment	Investment profits or losses recognized with the equity method	Declared a cash dividend or profit		
1. Joint ventures							
Yiwu Shanglv Investment Development Co., Ltd.	383,668,354.21			13,304,094.72		396,972,448.93	
Yiwu Rongshang Real Estate Co., Ltd.	217,387,537.94			429,128,964.52	580,865,600.00	65,650,902.46	
Yiwu Chuangcheng Real Estate Co., Ltd.	88,063,325.80			134,862,766.92	194,476,800.00	28,449,292.72	
Others	50,165,047.97			50,639,041.32	-	100,804,089.29	
Sub-total	739,284,265.92			627,934,867.48	775,342,400.00	591,876,733.40	
2. Associates							
Hangzhou Binjiang Shangbo Property Development Co., Ltd.	34,476,229.08		24,500,000.00	3,893,136.86	13,869,365.94	-	
Yiwu Huishang Micro-finance Co., Ltd.	82,824,696.64		6,210,000.00	1,595,283.18		78,209,979.82	
Zhejiang Chouzhou Financial Lease Co., Ltd.	426,020,849.24			63,184,700.67		489,205,549.91	
Pujiang Lvgu Property Co., Ltd.	449,927,811.36			12,873,349.31	88,200,000.00	374,601,160.67	
Yiwu China Commodities City	2,785,883,275.44			198,926,743.97		2,984,810,019.41	

Property Development Co., Ltd.							
Zhejiang Zhijie Yuangang International Supply Chain Technology Co., Ltd.	-	150,000,000.00		-4,436,560.67		145,563,439.33	
Others	107,524,955.79	-		28,424,026.87		135,948,982.66	
Sub-total	3,886,657,817.55	150,000,000.00	30,710,000.00	304,460,680.19	102,069,365.94	4,208,339,131.80	
Total	4,625,942,083.47	150,000,000.00	30,710,000.00	932,395,547.67	877,411,765.94	4,800,215,865.20	

Other notes:

Nil

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	1,661,326,251.95	856,617,946.98	2,538,880,872.96	944,011,791.40
Other businesses	280,256,309.07	80,555,208.55	383,244,529.97	118,870,105.91
Total	1,941,582,561.02	937,173,155.53	2,922,125,402.93	1,062,881,897.31

(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	1,508,941,417.59
Hotel accommodation and catering services	190,167,588.25
Revenue from use fees	35,930,028.91
Other services	3,007,248.54
Classified by business area	
Chinese mainland	1,738,046,283.29
Classified by contract period	
Revenue confirmed at certain time point	
Hotel catering services	103,890,861.39
Other services	2,907,210.24
Revenue confirmed during certain time period	
The use of shops in the Commodity City and its supporting services	1,508,941,417.59
Hotel accommodation service	86,276,726.86
Revenue from use fees	35,930,028.91
Other services	100,038.30
Total	1,738,046,283.29

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	1,249,439,751.56
Hotel accommodation service	11,260,471.19
Other services	1,801,326.20
Total	1,262,501,548.95

(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 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 obligationsApplicable Not applicable

Other notes:

As of December 31, 2022, the transaction price allocated to the remaining performance obligations was RMB 3,032,044,768.16. 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 period	Amount in the 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	932,395,547.67	544,982,046.87
Investment income from disposal of long-term equity investment	270,094.36	-
Dividend income from other equity instruments investment during holding period	12,542,733.80	12,542,733.80
Investment income from disposal of held-for-trading financial assets	47,694.29	67,265.74
Income acquired from other non-current financial assets during the holding period	2,978,950.32	728,950.32
Total	948,235,020.44	598,320,996.73

Other notes:

Nil

6. Others

Applicable Not applicable

XVIII. Supplements**1. Detailed statement of current non-recurring items**

√Applicable □Not applicable

Unit: RMB

Item	Amount	Description
Profits or losses from the disposal of non-current assets	-1,130,587.34	
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	38,802,436.81	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	52,315,023.80	Cash occupation fee for receiving financial aid
Profits or losses 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	166,489.60	Mainly due to profits or losses arising from the change in fair value
Profits and losses arising from external entrusted loans	79,561.64	
Net income from other non-operating activities	3,244,125.63	
Other profit and loss items that meet the definition of non-recurring profit and loss	-975,086,670.50	Mainly due to the implementation of the rent reduction policy
Less: effect of income tax	-223,084,975.36	
Effect of minority interest	1,843,816.52	
Total	-660,368,461.52	

Explanations shall be made for the non-recurring items identified by the Company according to 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	7.30	0.20	0.20

Net profits attributable to common shareholders of the Company after deducting non-recurring profits and losses	11.67	0.32	0.32
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3. Differences in accounting data between foreign and Chinese accounting standardsApplicable Not applicable**4. Others**Applicable Not applicable

Chairman of Board of Directors: ZHAO Wenge

Date of approving by the board of directors for release: April 12, 2023

Amendment

Applicable Not applicable