

Stock code: 600415

Stock short name: 小商品城

**Zhejiang China Commodities City Group
Co., Ltd.
Semi-annual Report for 2023**

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. **This semi-annual report has not yet been audited.**
- IV. **ZHAO Wenge, Legal Representative, WANG Dong, Person in Charge of Finance, and ZHAO Difang, Head of Finance Department (Finance Manager) hereby state that, they guarantee the truthfulness, accuracy and completeness of the financial report in the semi-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**

Nil

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 there is circumstance that more than half of the directors cannot guarantee the authenticity, accuracy and completeness of the semi-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. Other

Applicable Not applicable

Table of Contents

Section I.	Definitions	5
Section II.	Company Profile and Financial Highlights	6
Section III.	Discussion and Analysis of Managers	9
Section IV.	Corporate Governance	35
Section V.	Environmental and Social Responsibilities	40
Section VI.	Significant Matters	41
Section VII.	Changes in Shares and Shareholders.....	54
Section VIII.	Preferred Shares.....	59
Section IX.	Bonds.....	60
Section X.	Financial Report.....	66

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.
	Resolutions of the 12th Meeting of the 9th Board of Directors and the 5th Meeting of the 9th Board of Supervisors
	Original copies of all company documents and announcements publicly disclosed on the website designated by the China Securities Regulatory Commission during the reporting period

Section 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.
Yiwu Pay	means	Payment brand wholly-owned by Zhejiang China Commodities City Group 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.
Handing Shangbo	means	Yiwu Handing Shangbo Property Co., Ltd.
The Company, the Listed Company or the Group	means	Zhejiang China Commodities City Group Co., Ltd.

Section II. Company Profile and Financial Highlights

I. Company profile

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

II. Contact information

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

III. Introduction to changes in 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.chinagoods.com
Email	600415@cccgroup.com.cn

IV. Changes in information disclosure and filing place

Newspaper selected by the Company for information disclosure	China Securities Journal, Shanghai Securities News and Securities Times
Website for publishing the Semi-annual Report	www.sse.com.cn
Place for access to the Company's Semil-annual Report	Securities Department of the Company

V. 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

Applicable Not applicable

VII. Main accounting data and financial indicators of the Company**(i) Major accounting data**

Unit: RMB

Major accounting data	Jan-Jun 2023	Jan-Jun 2022	YoY Change (%)
Operating revenue	5,160,991,043.25	4,207,027,616.46	22.68
Net profits attributable to shareholders of the Listed Company	1,998,333,646.74	1,222,205,978.81	63.50
Net profits attributable to shareholders of the Listed Company with non-recurring profits and losses excluded	1,839,365,824.67	1,181,715,806.64	55.65
Net cash flow from operating activities	143,247,195.78	-666,587,333.62	Not applicable
	Jun 30, 2023	Dec 31, 2022	Jun 30, 2023 versus Dec 31, 2022 (%)
Net assets attributable to shareholders of the Listed Company	17,019,609,817.35	15,262,290,780.57	11.51
Total assets	33,419,459,591.49	32,111,004,317.38	4.07

(ii) Major financial indicators

Major financial indicators	Jan-Jun 2023	Jan-Jun 2022	YoY Change (%)
Basic EPS (RMB)	0.37	0.22	68.18
Diluted EPS (RMB)	0.37	0.22	68.18
Basic EPS after deducting non-recurring gains and losses (RMB/share)	0.34	0.22	54.55
Weighted average ROE (%)	12.30	8.05	Up 4.25 ppt
Weighted average ROE after deducting non-recurring gains and losses (%)	11.32	7.78	Up 3.54 ppt

Illustration on major accounting data and financial indicators

√Applicable □Not applicable

1. The operating revenue increased by RMB 954 million YoY, mainly due to the carryover revenue of the Second District East New Energy Product Market and the expansion of commodity sales scale.
2. The net profit attributable to shareholders of the listed company increased by RMB 776 million YoY, mainly due to the official operation of the Second District East New Energy Product Market, which resulted in an increase of RMB 531 million in operating gross profit, a YoY increase of RMB 449 million in investment income and asset disposal income, and a YoY increase of RMB 189 million in income tax expenses.
3. The net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses increased by RMB 658 million YoY, due to an increase of RMB 776 million and RMB 118 million respectively in net profit and non-recurring profits and losses attributable to shareholders of the listed company compared with the same period of the previous year.

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

□Applicable √Not applicable

IX. Non-recurring profits and losses and amounts thereof

√Applicable □Not applicable

Unit: RMB

Non-recurring profits and losses	Amount	Notes (If applicable)
Profits and losses from the disposal of non-current assets	177,251,158.26	Mainly due to the income from asset disposal
Government grants that are recognized in the current Profits and losses, 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	14,351,408.58	Please refer to the details of government subsidies included in other income for details
Cash occupation fees charged from non-financial enterprises that are recognized in the current Profits and losses	17,419,324.72	Cash occupation fee for receiving financial aid
Profits and 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	-6,192,155.35	Mainly due to changes in fair value gains and losses of other non-current financial assets and trading financial assets held
Profits and losses arising from external entrusted loans	1,252,476.06	
Net income from other non-operating activities	3,021,986.99	Deduction of asset disposal and government subsidies
Less: effect of income tax	47,508,712.07	Mainly due to corporate income tax corresponding to asset disposal income
Effect of minority interest (after-tax)	627,665.12	
Total	158,967,822.07	

Explanations shall be made for the non-recurring profits and losses identified by the Company according to the Explanatory Announcement No. 1 on Information Disclosure by Companies Publicly Offering Securities – Non-recurring profits and losses, and for the Company identifying the non-recurring profits and losses enumerated in the Explanatory Announcement No. 1 on Information Disclosure by Companies Publicly Offering Securities – Non-recurring profits and losses as recurring profits and losses.

□Applicable √Not applicable

X. Other

□Applicable √Not applicable

Section III. Discussion and Analysis of Managers

I. Description of the industry and the Company's main business during the reporting period

(I) Main business of the Company

The Company is committed to building a shared trade service platform for global small and medium-sized enterprises, with the strategic positioning of "world-class international trade comprehensive service provider", continuously enriching and improving the three major ecosystems: commodity display ecology, service supporting ecology, and trade performance ecology, in order to reduce trade costs, shorten trade chains, improve trade efficiency, and continue to create value for the circulation of small commodities, consolidate the advantageous position of China's daily consumer goods supply chain in global trade, and serve the new development pattern of domestic and international dual circulation.

The product display ecology includes offline physical market operation and online platform services, supporting service ecology includes exhibition and hotel sectors, and trade performance ecology includes warehousing and logistics, self operated trade and payment, credit reporting, factoring, and other businesses.

(II) The main business model of the Company

1. Product display ecology:

(1) Market operation

The market operation business is mainly operated and managed by the subordinate market operation companies of the Company. 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. At present, the markets operated by the Company include the first to fifth district markets, the import market, the first district eastern expansion and second district east market, the Huangyuan market, and the international production materials market of the International Trade City.

(2) Online trading platform

The Yiwu Small Commodities City Platform (referred to as "Chinagoods platform") is a B2B digital trade comprehensive service platform that relies on the Company's 75000 physical shops in the market, serves 2.1 million small and micro enterprises in the upstream and downstream of the industrial 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. The current revenue model of the platform

is to collect service fees by providing basic services and value-added services for members, digital advertising business services, digital services for financial institutions, and fourth-party services.

2. Supporting service ecology:

(1) Exhibition

The Company's exhibition sector has developed into a professional exhibition enterprise with one-stop service that integrates domestic exhibition organization, overseas exhibition, exhibition hall management, and exhibition supporting services. The exhibition section mainly undertakes exhibition projects such as China Yiwu International Small Commodity (Standard) Expo (UFI), China Yiwu Import Goods Expo (UFI), China Yiwu International Forest Products Expo (UFI), and self-operated projects such as overseas exhibitions (Korean Import Goods Exhibition, China Consumer Goods (Russia) Brand Exhibition, Benin (West Africa) China Commodity Exhibition, etc.), And engaged in exhibition hall operation, development, leasing and other exhibition industry chain services. The Company also undertakes the operation and management of Yiwu International Expo Center venues.

(2) Hotel

The hotel service business is mainly operated and managed by Zhejiang Yindu Hotel Management Co., Ltd., a subsidiary of the Company. The hotels operated by the Company mainly provide comprehensive services such as accommodation, catering, leisure and entertainment, and conferences, etc. The main revenue sources of the hotels include room sales, catering sales, commodity sales and venue leasing, etc. Sales of guest rooms and catering mainly rely on channels such as clients agreement, conferences, wedding banquets and recommendation by operators of online booking platforms.

3. Trade Performance Ecology:

(1) Warehousing and logistics

The Company's warehousing sector is led by warehousing, strengthening the service capacity of Yiwu freight warehouses, regional warehouses, and overseas warehouses, and deeply entering various links of the trade chain. At present, there are three parks: Chinagoods Shared Cloud Warehouse, Houzhai Warehouse Park, and Huanqiu Yida Supply Chain Industrial Park. Chinagoods Shared Cloud Warehouse is market-oriented and uses digital means to form a fully visible warehouse system. It combines public warehouses, express package distribution, and international consolidation to provide convenient warehousing services for market operators, domestic and foreign buyers, logistics and express delivery companies, as well as freight forwarders and foreign trade companies. Houzhai Warehouse Park and Huanqiu Yida Supply Chain Industrial Park are based on warehousing systems, providing efficient, convenient, and three-dimensional warehousing service systems for market operators.

(2) Self-operated trade

ICMALL is the initials of international commodity mall, which is a subsidiary of the well-known Chinese trademark "Yiwu China Small Commodities City". "爱喜猫" is the Chinese transliteration of ICMALL. With the brand vision of "discovering the best products in the world", ICMALL combines over 20000 high-quality products from imported goods and trendy domestic products, covering six categories: home life, beauty and skincare, mother and baby products, snacks and beverages, entertainment and cultural creativity, and toy digital. ICMALL strives to create a super supply chain channel brand in new fashion, new consumption, and new experience application scenarios.

As a self-owned brand that focuses on the creative development of trendy domestic products, "Yiwu Good Products and Good Brands" provides empowering services for the improvement and upgrading of small commodities in Yiwu and even across China through the entire chain of product development and design, production and manufacturing, quality and price, marketing planning, after-sales service, and other aspects. In the future, the brand will strive to create a good products brand standardized output system with good prices, quality, and service.

The Company enters the upstream and downstream of market trade through self-operated trade, fully leveraging its platform and brand advantages, linking trade with the market and nurturing the market, and forming a virtuous and orderly cycle.

(3) Payment, credit reporting, factoring and other businesses

The Company's "Yiwu Pay" is a licensed third-party payment institution supervised by the People's Bank of China, providing convenient and secure electronic payment solutions for merchants through internet payment technology. Yiwu Pay was established in 2012. With its professional global payment service capabilities, financial compliance capabilities, and security risk control capabilities, Yiwu Pay provides a one-stop cross-border payment solution for domestic and foreign customers, enabling them to receive payments in compliance, settle foreign exchange easily, improve fund utilization efficiency, and ensure safe receipt of funds. The business of Yiwu Pay covers various scenarios such as online and offline B2B payments, cross-border payments, among which cross-border payment revenue is the main revenue of the Company. Domestic payment business: As a licensed payment institution, "Yiwu Pay" links major domestic banking institutions through clearing organizations such as UnionPay and NetsUnion Clearing Corporation, providing merchants with collection services such as bank card fast payment, QR code scanning payment, wallet payment, and e-CNY payment, and obtains payment fee. Cross-border payment business: "Yiwu Pay" provides one-stop cross-border fund services such as global collection and payment, foreign exchange management, etc. for import and export enterprises, and obtains cross-border payment fee. Payment service business: "Yiwu Pay" collaborates with the credit consulting company, banks and other institutions to provide merchants with a financing credit model based on payment data as the underlying layer, and the credit reporting company uniformly encapsulates and outputs it to financial institutions such as banks, providing financing services and obtains corresponding service fees.

The credit consulting company was established in July 2014, collaborating with government departments to promote the construction of the city's social credit system. It has established a data system centered on public data, commercial data, and e-commerce data. By constructing precise enterprise portraits, it provides technical support in credit verification, joint rewards and punishments, inclusive finance, and other fields of government and financial institutions, and empowers trade ecological value with data elements. Currently, it covers 995500 legal entities, with a total of over 158 million pieces of data. Through the enterprise credit information query platform, the credit consulting company provides enterprise credit information query services for financial institutions and carry out data management for inclusive finance of banks. Currently, there are more than 30000 credit granting subjects, with a total granted credit amount of RMB 8.45 billion. The credit consulting company charges service fees through technology development, system interface docking, and data support based on inclusive finance for banking and insurance institutions.

Zhejiang China Commodities City Group Commercial Factoring Co., Ltd. (referred to as "China Commodities City Factoring") was established in January 2022 and is a local financial organization approved by the Zhejiang Provincial Local Financial Supervision and Administration Bureau. China Commodities City Factoring is mainly engaged in trade financing, accounts receivable settlement, management and collection, customer credit investigation and evaluation, and non commercial bad debt guarantee through the transfer of accounts receivable. China Commodities City Factoring mainly serves the merchants of Yiwu International Trade City, and the main income comes from interests and handling fees for factorage financing. After the expansion of business scale in the later stage, China Commodities City Factoring can cooperate with banks and other funding parties to obtain service fees.

(III) Industry situation

1. Description of the industry of the Company

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

(1) Situation of Yiwu Market

Yiwu International Trade City has ranked first in the national comprehensive market for 32 consecutive years in terms of market transaction volume, forming a relatively large industrial cluster in the field of small commodity circulation. In 2023, the Second District East New Energy Market gained a new construction area of 131000 square meters, and more than 490 new shops were added on the first and second floors, further expanding the offline market. The Yiwu International Trade City gathers 26 major categories and over 2.1 million types of commodities, radiating to 233 countries and regions, driving the development of 2.1 million small and medium-sized enterprises and the employment of 32 million industrial workers. Every year, more than 560000 foreign merchants come to Yiwu for procurement, and more than 15000 foreign

merchants from more than 100 countries and regions reside in Yiwu. There are over 8000 foreign-funded entities in Yiwu.

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 8 years in a row, with a compound annual growth rate over 30%, which has effectively unlocked the validity of the market subject and further improved the convenience level of trade.

In the first half of 2023, the total import and export amount of Yiwu City reached RMB 268.97 billion, a YoY increase of 21.0%. Among them, the export amounted to RMB 237.41 billion, a YoY increase of 17.0%; the import amounted to RMB 31.56 billion, a YoY increase of 63.5%. Yiwu vigorously explores emerging markets, creates high-level open platforms, cultivates and strengthens advantageous industries, and continuously gathers new momentum for foreign trade. From the perspective of trade regions, in the first half of 2023, Yiwu's import from and export to Africa reached RMB 49.38 billion, an increase of 31.0%; import from and export to Latin America amounted to RMB 40.73 billion, an increase of 37.3%. import from and export to India, Brazil, and Saudi Arabia amounted to RMB 13.03 billion, RMB 6.77 billion yuan, and RMB 6.74 billion, respectively, an increase of 13.6%, 43.5%, and 56.9%, respectively. Over the same period, import from and export to countries along the "Belt and Road" totaled RMB101.2 billion, an increase of 21%.

Yiwu City exported RMB 181 billion through market procurement trade, an increase of 19.1%, accounting for 76.2% of the total export amount of Yiwu City, driving the city's export growth by 14.3 percentage points. The Company integrates market resources through digital means, driving the iterative upgrading of the market procurement trade method to "Version 2.0". The market procurement trade method has become the main force driving the growth of Yiwu's exports. Regionally, Southeast Asia, the Middle East and Latin America continue to occupy a high market share in the trade with Yiwu. Countries along the "Belt and Road" and in the "RCEP" region continue to bring opportunities to the Yiwu market, and RMB going global has become a new highlight of Yiwu's market.

During the reporting period, the total passenger flow of buses, railways, and airlines in the urban area of Yiwu was 10.4063 million, a YoY increase of 69.01%. The postal industry in Yiwu City has completed a total of over 5 billion pieces of parcels, a year-on-year increase of over 12%. The total capital and cash flow of bank branches around the Yiwu market was RMB 1.78 trillion, a year-on-year increase of 26.82%. The turnover of market funds continued to be active, with deposits and loans exceeding RMB a trillion, a year-on-year increase of over 15%. Yiwu became the first county-level city in Zhejiang Province (excluding districts) to successfully enter the

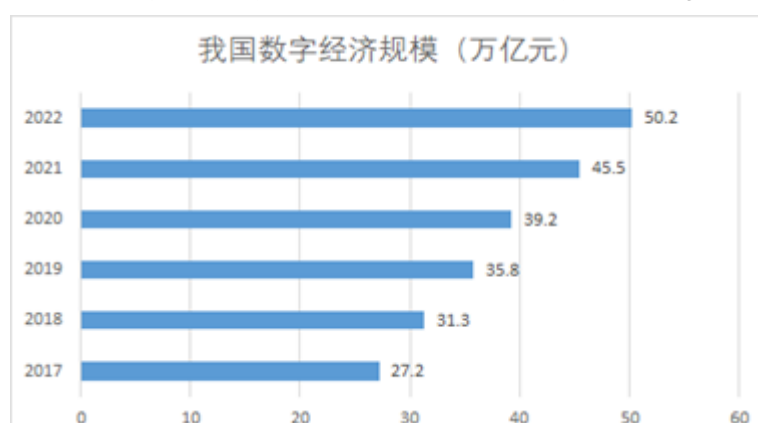
trillion-yuan level of deposit and loan, achieving a historic leap in the development of the regional financial industry.

(2) Digital Economy

① Digital Economy

a. Development of Digital Trade of the Company

In 2022, the scale of China's digital economy reached RMB 50.2 trillion, a year-on-year increase of 10.3%. It has been significantly higher than the nominal GDP growth rate of the same period for 11 consecutive years. The proportion of the digital economy to GDP is equivalent to the proportion of the secondary industry to the national economy, reaching 41.5%.



Centering on the strategic deployment of building "Digital Zhejiang" made by the General Secretary XI Jinping during his work in Zhejiang, the Company will continue to promote the digital transformation of market mass trade, and constantly shape the new competitive advantages of Yiwu market through the reconstruction of trade mode and business form and the reshaping of market scene ecology. From the perspective of domestic enterprise structure, small and medium-sized enterprises with large volume and rapid growth are the backbone of China's economic development, but subject to multiple factors such as assets, technology and experience, the digital level of small and medium-sized enterprises is generally low. The platform can use the advantages of its own traffic, data and industrial layout to build diversified solutions from design and production, matching transactions, customs declaration and performance, foreign exchange settlement and other services around the core pain points of SMEs, such as marketing, service and capital.

At present, the transformation of Yiwu market has entered the digital stage from the informatization stage, leading the way and demonstrating the high-quality development of the commodity market led by digitization. In the "Top 10 Digital Leaders in China's Commodity Market" list released for the first time at the 12th China Commodity Market Summit in 2021, Yiwu China Commodities City ranked first. In 2022, the digital free trade application of small commodities was awarded the "Best Application" for digital reform in Zhejiang Province.

The core value of digital trade is data resources. Data is not only a carrier for national security and personal privacy, but also an internal driving force for the new stage of economic

development. Data, as a new economic production factor, can reduce production costs, innovate business models, and improve resource allocation efficiency. Relying on the carrier of digital trade, data will ultimately achieve cross-border flow and global sharing, thereby improving social production efficiency and promoting the development process of the global economy. With the deepening of globalization and the development of digital technology, digital trade will gradually move towards the goal of liberalization. Digital trade may reshape the global value chain system and payment system, becoming a new driving force for economic growth. With the development of digital technology and the deepening of globalization, traditional trade models are transforming and upgrading to digital trade models dominated by digitization.

b. Development of Data Business of the Company

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". Over the years of business accumulation, Yiwu market has formed the support of industrial clusters in the field of small commodity circulation, collecting massive information and data on transactions, customs declaration, logistics, foreign exchange settlement, etc. Through the application products such as Caigoubao on the Chinagoods platform and Yiwu Pay, the Company has mined the trade data of the industrial belt of the "Belt and Road" China Commodities Cities, and gradually tracked out a new business model: based on the foreign exchange settlement data or trade data, the Company integrates credit information, provides credit basis for third-party commercial banks or self-operated factoring businesses, and charges service fees. Through data monetization, the massive data formed by the offline market operated by China Commodities Cities for many years, including the global small commodity index, is mined and reshaped through the services of online platforms in the value chain.

During the reporting period, the Company's Yiwu Pay and credit consulting company collaborated with the People's Bank of China Yiwu Branch and Yiwu Rural Commercial Bank to launch China's first "credit product trade financing" based on cross-border RMB settlement data, bringing efficient, convenient, and low-cost financing methods to enterprises. This product combines the information of the two major resources of credit and payment licenses to build accurate portraits for cross-border e-commerce and other foreign trade entities, innovate evaluation standards, and provide exclusive credit services for enterprises. At present, an integrated service centered on the credit consulting company has been formed, in which the Yiwu Pay platform outputs risk control models based on customer authorization and cross-border settlement data, and authorizes banks to apply for the use of credit consulting products. Yiwu Pay integrates foreign exchange settlement data and credit data on the basis of the original income model, and derives a new income model.

Huokuanbao is developed and operated by the Internet Financing Company, a subsidiary of the Big Data Company. It is based on the Chinagoods platform and integrates foreign trade export chain data such as design and production, order matching, trade performance, and foreign exchange settlement. It takes into account both subject credit and trade credit, to provide trade financing services for merchants, aggregate the foreign trade ecosystem of freight forwarders, warehousing, and logistics, and derive ecological values. Since 2023, the business volume of Huokuanbao has grown rapidly. In the future, it will collaborate with third-party commercial banks to develop and empower small and medium-sized enterprises' foreign trade exports. The Company integrates trade and foreign exchange data through the Chinagoods platform to solve the pain points and difficulties faced by small and medium-sized enterprises in trade, gradually enhancing the overall value of the Chinagoods platform, and continuously enhancing the competitiveness of China's daily consumer goods globally.

② Cross-border payment

a. Situation of cross-border payment industry

This year coincides with the 10th anniversary of the "Belt and Road" initiative. Over the past 10 years, RMB has played an increasingly important role in cross-border payment and other aspects. In countries along the "Belt and Road", the use of RMB has gradually increased, and RMB cross-border payment has made great progress. According to Bloomberg, in March of this year, the use of RMB surpassed the US dollar in China's cross-border transactions for the first time, and more and more countries and regions are increasing the scale of RMB settlement. Currently, over 70% of trade settlements between Russia and China are already using rubles and RMB; In addition, Argentine officials have also announced that they will use RMB instead of US dollars to pay for goods imported from China. According to data from the central bank, the cross-border payment and receipt of RMB increased from less than 10 billion yuan in 2009 to 42 trillion yuan in 2022. In 2022, RMB accounted for about 50% of the total cross-border payment and receipt of domestic and foreign currencies.

There is a highly positive logical relationship between RMB internationalization and the construction of the "Belt and Road", which together constitute two key points for China to participate in and lead the new international pattern in the new era. The "Belt and Road" provides an important opportunity for RMB internationalization. The "Belt and Road" is a major initiative of China in the new era to create a pattern of land-sea and domestic-overseas linkage and east-west two-way opening.

The "Belt and Road" involves a total population of about 4.4 billion and an economic aggregate of about 21 trillion US dollars, accounting for 63% and 29% of the world's total, respectively. Many countries along the "Belt and Road" are developing countries and emerging economies, which are generally in an upward phase of economic development. In the past 10 years, China's import and export trade to the regions along the "Belt and Road" has increased at an average annual rate of about 20%, and its direct investment to the regions along the "Belt and

Road" has increased at an average annual rate of more than 30%. None of the countries along the "Belt and Road" are major currency issuers, and the currency inertia is relatively small. China's close economic and financial cooperation with them will provide a solid carrier and broad market for the regional use of RMB.

RMB internationalization is an important guarantee and necessary condition for the smooth progress of the "Belt and Road" construction. Internationalization of RMB can effectively prevent financial risks within the region, reduce transaction costs, and enhance the overall competitiveness of the regional economy. With the gradual opening of China's capital account, the development of RMB internationalization can provide sufficient RMB liquidity for the construction along the "Belt and Road", and provide financial support and service convenience for major projects through RMB bonds, loans, direct investment and other forms. At the same time, the internationalization of RMB will also provide new international currencies and risk management mechanisms for countries along the "Belt and Road", promote international investment and cooperation processes, build economic and financial security anchors, and maintain regional economic and financial stability.

b. Development of cross-border payment business of the Company

Yiwu is the intersection of the "Land Silk Road" and the "Maritime Silk Road". As the constructor of the "World Capital of Small Commodities", Yiwu undertakes the important mission of promoting the high-quality development of the "Belt and Road" and RMB going global. The Company will spare no effort to promote the development of trade services and cross-border RMB business.



Cross-border Business Map (Taking the First Saudi Cross-border RMB Business as an Example)

II. 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) Supporting services advantages

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

1. Convenient logistics system

Yiwu has in place perfect commerce and trade auxiliary facilities and advantageous logistics service. The logistics network has full coverage in Yiwu. A large number of large-sized international and domestic express delivery and logistics companies have regional distribution centers in Yiwu, and a world-oriented goods transport and distribution network has been established. Yiwu has been listed among the "commerce and trade-oriented national logistics hubs" by the National Development and Reform Commission and the Ministry of Transport. According to the 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, Jiaying, Taihu, Shaoxing, Ningbo, Wenzhou and Taizhou with an area of nearly 10,000 sq.m has been established, and a benign mechanism under which the Yiwu wholesales market and the peripheral industry cluster develop together has been formed.

3. Support for 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) Advantage of online and offline platform integration

The Company's international trade city is the global leading commodity market. The Company's official Yiwu CCC website, chinagoods platform, relying on the Company's 75,000 off-line shops, through integration of online and offline services, serves 2.1 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.

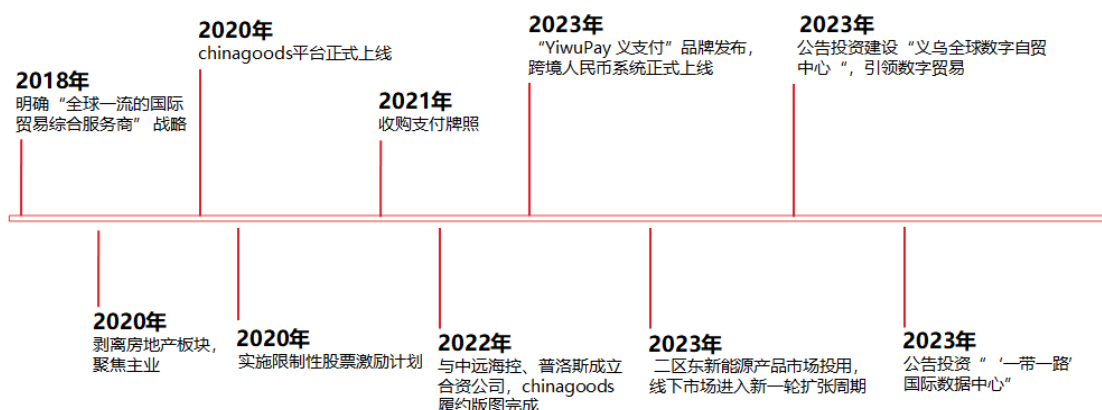
(VII) Advantage of international logistics

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.

III. Discussion and analysis of operation status

This year marks the 30th anniversary of the Company's establishment. With thirty years of ups and downs, the Company has been steadfast in writing a new chapter and has set the strategic goal of becoming a "world-class international trade comprehensive service provider". With the goal of building the "World Capital of Small Commodities" with high quality and level, and within the framework of a unified national market, the Company is comprehensively promoting market innovation and development, as well as enterprise transformation and upgrading. Through digital reform, the Company is breaking through the physical limitations of

traditional business, and speeding up the construction of a global business leader that empowers the mass trade of small commodities.



Timeline of important events in the reform of the Company since 2018

During the reporting period, the daily average flow of the International Trade City exceeded 200,000 people, with a daily average of over 2000 overseas buyers entering the market. Multiple market prosperity indicators exceeded those in the same period in 2019, and the morale of all employees and market operators of the Company was high, racing against time and improving efficiency. The import and export market in Yiwu underwent a "strong recovery".

The "strong recovery" of the Yiwu market in the first half of 2023 has shown the following characteristics: Firstly, the structural upgrading brought about by the expansion of new energy industries in the Yiwu market. Secondly, there is an increasing number of independently developed products in the Yiwu market, which are more innovative and intelligent, accelerating the transformation from product going global to brand going global. Thirdly, the proportion of online business of the Yiwu market is constantly improving, and the trade compliance ability is becoming stronger. The above factors continuously enhance the connotation of "high cost-effectiveness" in the Yiwu market, and the comprehensive competitiveness of the Yiwu market in the international market is constantly strengthening.

Under the support of efficiency improvement and prosperity, the traditional business of the Company reflects certainty and elasticity, while multiple positive factors have come to the innovative business, which presented a rapid development trend.

(I) Transformation and upgrading, continuously enhancing market development resilience

1. The vitality of entities is continuously activated. On improving business entities and attracting buyers, the Company deepened the action of strengthening business entities and attracting global buyers, and gathered more dynamic and cohesive business entities and buyers. As of the end of the reporting period, with Yiwu Small Commodity City Business School as the carrier, over 12000 business entities were trained through chairman lectures, trade salons, online training camps, and other forms. Over 500000 buyers were attracted through business investment, activity attraction, platform invitation, and other methods.

2. Further promotion of product innovation. The Company deepened the action of bringing design and standards in market , and new industry incubation action, focusing on product upgrading and industry incubation and cultivation, and continuously improving product competitiveness and industry vitality. As of the end of the reporting period, in the "Yiwu China Commodities City" Cup International Small Commodity Creative Design Competition, over 5000 pieces of works have been collected; The national level service industry standardization pilot of "bringing standards in market" by Zhejiang China Small Commodity City has been fully launched; The Second District East New Energy Product Market of the International Trade City has officially opened, gathering over 260 business entities and taking the lead in cultivating new energy as an independent industry in the national commodity market.

3. Speeding up the construction of the digital market. Using the Second District East Market of the International Trade City as a pilot project to create a digital market model, the Company completed new digital infrastructure such as the 10 Gigabit Network, AI interactive screen, and digital virtual human, and achieve functions such as business consulting, market navigation, AI flow statistics, and digital market cockpit; At the same time, the construction of the Global Digital Trade Center, a core symbol project of the sixth generation market, is fully underway, and the digital transformation of traditional markets is steadily advancing, creating a new generation market that leads the global trade trend.



Global Digital Trade Center (based on global small commodity trade, leading future trade trends from three dimensions: digital new infrastructure, smart operations, and digital empowerment)

4. Innovation and improvement of exhibition and trade formats. Focusing on strengthening exhibition venue linkage, the Company holds domestic exhibitions, overseas exhibitions, professional exhibitions, and industry exhibitions to further expand new exhibition and trade models. As of the end of the reporting period, 26 domestic exhibitions such as simulation flower, cultural and tourism fair and China-Chic exhibition were held, attracting more than 500000

buyers; 50 companies were organized in group to participate in three overseas exhibitions; During the reporting period, the net profit of the Company's exhibition sector experienced an explosive YoY growth. A total of 25 events were held, including the Marketplace Good Products Shopping Festival and the Joint Exhibition of the World Yiwu People Conference, attracting 988000 buyers.

5. Expansion and quality improvement of the hotel sector. The hotel sector of the Company is based on the local and supporting market, strengthens resource integration and quality improvement, promotes digital, professional, and branded management, establishes the Yindu tavern brand, with the goal of creating a business and tourism culture that integrates "local characteristics and global style", and strives to become a characteristic service brand of the "World Capital of Small Commodities", promoting the Yindu brand to become a comprehensive hotel management company with high brand influence in Zhejiang region. The Company has four major brand sequences: "Yindu · Jia" luxury resort hotel brand, "Yindu · Hua" high-end business hotel brand, "Yindu · Ya" super mid-range lifestyle hotel brand, and "Yindu · Jing" small and micro boutique hotel brand. The eight mid to high end hotels are located in various core locations of Yiwu City, serving over 2 million global merchants every year. During the reporting period, the flow in the Yiwu market increased significantly month on month, with a large number of overseas purchasers continuously purchasing from the Yiwu market. Many overseas purchasers booked rooms for 10 to 15 nights, and combined with the promotion of exhibitions, the Yiwu hotel industry showed an explosive growth trend. The Company's hotels seized the opportunity to comprehensively promote centralized procurement, cost reduction, and upgrade the membership system through the integration of online channels, achieving rapid growth in the hotel business scale. From January to June 2023, the hotel sector of the Company has a revenue of RMB 217 million, surpassing that in the same period in 2019. Among them, the "Fingertip Canteen" in the First District of the International Trade City built by the Company officially opened in May. With precise positioning, strengthened operation, and outstanding service "cost-effectiveness", it brings convenient, high-quality, and diverse food supply to market operators and buyers, and thus is widely welcomed. The revenue of the opening month exceeded RMB one million, and the daily customer flow exceeded 1300 people.

(II) Deepening innovation and continuously improving the digital trade ecosystem

1. Upgrading and optimization of digital platforms. The Company upgraded the Chinagoods digital trade service platform and expand functions such as digital marketing, traffic empowerment, and order matching. As of the end of the reporting period, there were 305000 new registered buyers on the Chinagoods platform, totaling 3.605 million. The GMV of the Chinagoods platform in the first half of this year was RMB 32 billion, a YoY increase of 210.83%. The Big Data Company (the operating entity of the Chinagoods platform) achieved a net profit of RMB 46.3989 million in the first half of the year, compared to RMB -5.5787 million in the same period of the previous year. Despite the increased investment in technology research and

development by the Chinagoods platform in the first half of the year, the net profit still achieved significant growth.

6 national websites for Spain, Dubai, Colombia, and other countries were opened. The Company cooperated with platform companies such as Alibaba, Baidu, and JD to build the "Yiwu Small Commodity City Digital Pavilion" and establish a fourth-party service network.

2. Deepening and expanding the application of digital trade. The Company deepened the operation of the Caigoubao industry belt project, to assist in the upgrading of market procurement trade, and better serve the free and convenient participation of small and medium-sized entities in international trade. As of the end of the reporting period, the new order amount placed on Caigoubao exceeded RMB 1 billion, with an accumulated amount of RMB 2.554 billion and a total of 2800 registered foreign trade enterprises; The Caigoubao industry belt project has established a performance service system of "comprehensive warehouse in Yiwu + sub-warehouses across China", with 85 suppliers stationed in the physical market exhibition hall and 4 warehousing service franchisees recruited.

3. Strengthening the empowerment of digital finance. The Company actively invests in internet payment licenses and factoring licenses, utilizing functions such as logistics, overseas warehouses, and supply chain financial services on the Chinagoods platform to form a logistics closed loop; the Company also utilizes licenses such as payment, credit consulting, factoring, and other products such as Alipay and Jiehuibao to form a closed loop of payment flow and fund flow. "Three Flow Convergence" simplifies trade links, improves trade efficiency, helps Chinese small commodities go overseas and improves the ecosystem of trade performance.

As of the end of the reporting period, the Company has established cooperation with more than 400 banks worldwide, covering more than 100 countries and regions, with 20 mainstream currencies for international payments. Since the official launch of the Company's own payment brand "Yiwu Pay" on February 21, 2023, it has served more than 15000 cross-border RMB business customers and had settled cross-border funds exceeding RMB 1 billion.



Yiwu Pay's future global layout (the Company's cross-border RMB business goal is to achieve a GMV of over USD 10 billion within 3-5 years, making Yiwu Pay a globally influential payment brand)

(III) Open and improve to make continuous optimization of trade performance services

1. Open the platform and improve the operation. The Company coordinates the recruitment of entities, improves business formats, bravely becomes the "main battlefield" of imports, builds a bonded "ecosystem", and strives to create a highland for the import industry. As of the end of the reporting period, Yiwu Comprehensive Bonded Zone has attracted a total of 14 top cross-border e-commerce platforms; sped up the construction of three major industrial ecological clusters: cross-border e-commerce imports, high-end food processing, and non-ferrous metal distribution; and realized an import volume of RMB 16.956 billion.

2. Open network and make improvement in both quality and scale. The Company accelerates the improvement in both quality and scale of overseas warehousing and logistics facilities, actively introduces advantageous resources, and strengthens the basic support for market performance services. As of the end of the reporting period, there were 29 new overseas warehouses, totaling 189 accumulatively, with an area of over 1.5 million square meters, covering 48 countries; Dubai Yiwu China Commodities City was awarded the "Class I Park Among Provincial Overseas Economic and Trade Cooperation Parks in 2022"; Zhijie Yuangang promoted the construction of a digital cross-border logistics third-party delivery platform, and launched digital logistics service products such as "Jihepai" and "Xiaokepai". From January to July 2023, the shipment of Zhijie Yuangang was 10585TEU, with a single month shipment of 3438TEU in June. The quarter-over-quarter growth rate of active customers was 25% in the first quarter and 87% in the second quarter of 2023; the quarter-over-quarter growth rate of served container volume was 45% in the first quarter and 164% in the second quarter of 2023. Zhijie Yuangang has expanded its business scope to 79 countries, 24 routes, and 154 destination ports worldwide.

3. Innovation and expansion of supply chain. The Company has been invested in self-operated trade since 2019. After more than two years of market exploration and customer development and accumulation, the self-operated trade business had experienced explosive growth by the second half of 2021. On February 27, 2023, the Company signed a strategic cooperation agreement with Shanghai Waigaoqiao Group Co., Ltd. In this strategic cooperation, both parties will fully utilize their respective advantages in accordance with the principles of "making respective advantages complementary to each other, win-win cooperation, and mutual benefit", actively respond to the national initiative of accelerating the development of "new foreign trade formats, new models, and new infrastructure" and actively developing the "Silk Road E-commerce", to serve the new pattern of domestic and international dual circulation, focus on the integration of domestic and foreign trade and the integration of customs special supervision zones, enhance the digitalization, refinement, specialization, and global resource

allocation capabilities of both parties in the supply chain service field of import and export markets, and jointly create a digital service ecosystem for the entire trade supply chain that deeply integrates online and offline with import and export.

As of the end of the reporting period, a trade revenue of RMB 2.838 billion was achieved, a YoY increase of 18.2%. Newly added 2685 good foreign trade product SKUs; a total of over 1600 core suppliers and 9000 SKUs of core products have been screened for "Good Products in a Package".

Major changes in the Company's business conditions during the reporting period, and events occurring during the reporting period that have a major impact on the Company's business conditions and are expected to have a major impact in the future

Applicable Not applicable

IV. Operating status during the reporting period

(i) Analysis of main business

1 Analysis of the changes to the items in the financial statement

Unit: RMB

Item	Amount in the current report period	Amount in the same report period of the previous year	YoY change (%)
Operating revenue	5,160,991,043.25	4,207,027,616.46	22.68
Operating cost	3,582,510,450.35	3,159,298,146.77	13.40
Sales expenses	77,763,668.49	93,282,063.73	-16.64
Administrative expenses	267,899,068.22	226,571,368.27	18.24
Financial expenses	53,603,900.89	62,891,935.45	-14.77
R&D expenses	10,524,249.20	5,708,047.58	84.38
Net cash flow from operating activities	143,247,195.78	-666,587,333.62	Not applicable
Net cash flow from investing activities	-505,539,125.40	-472,262,132.79	Not applicable
Net cash flow from financing activities	543,680,426.49	603,770,561.36	-9.95

Reason for the change in R&D expenses: R&D expenses increased by 84.38% YoY, mainly due to the R&D investment in the current period of Kuaijietong Payment Service Co., Ltd., which was acquired in the previous year.

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

Applicable Not applicable

(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: RMB

Item	Amount at the end of the current period	% of total assets at the end of the current period	Amount at the end of the same period of 2020	Percentage of the closing balance of the previous year to the total assets (%)	Percentage of difference between the closing balance of the current period and the closing balance of the previous year (%)	Reasons for change
Prepayments	917,588,009.93	2.75	606,057,048.25	1.89	51.40	Mainly due to the growth of the product sales and the increase in advance payment
Other receivables	87,930,115.50	0.26	419,398,092.62	1.31	-79.03	Mainly due to the recovery of financial assistance from joint ventures
Development expenses	14,588,967.82	0.04	4,660,995.87	0.01	213.00	Due to the increase in R&D investment
Short-term borrowings	1,809,722,500.02	5.42	1,059,287,361.11	3.30	70.84	Due to the increase in short-term borrowings
Accounts payable	475,316,014.07	1.42	1,191,314,404.15	3.71	-60.10	Mainly due to the payable market and supporting project construction funds
Payroll payable	119,585,250.83	0.36	183,135,314.51	0.57	-34.70	Mainly due to the distribution of merit pay for 2022
Non-current liabilities due within one year	134,947,210.88	0.40	86,852,293.01	0.27	55.38	Mainly due to the transfer-in of long-term loans maturing within one year
Long-term borrowings	648,185,725.67	1.94	404,500,000.00	1.26	60.24	Due to the increase in long-term

						borrowings
Deferred income	161,143,393.10	0.48	103,582,129.94	0.32	55.57	Mainly due to receiving investment incentives for the commencement of cross-border e-commerce logistics park project in this period
Deferred income tax liabilities	127,885,691.87	0.38	95,042,722.31	0.31	34.56	Mainly due to the recognition of deferred income tax liabilities for use rights assets in the current period

Other statements
Nil

2. Overseas assets

Applicable Not applicable

(1) Scale of assets

Among them: offshore assets were RMB 548 million, accounting for 1.64% of the total assets.

(2) Explanation one the high proportion of offshore assets

Applicable Not applicable

Other statements

Nil

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

√Applicable □Not applicable

Item	Unit: RMB	
	June 30, 2023	2022
Cash and cash equivalents	11,461,574.15	10,098,029.66
Inventory	8,925,585.72	-
Long-term equity investment	102,918,559.00	102,918,559.00
Other non-current financial assets	621,447,424.37	621,447,424.37
Other current assets	420,922,188.51	367,484,914.87
Total	1,165,675,331.75	1,101,948,927.90

1. As of June 30, 2023, bank deposits with a book value of RMB 61.05 (December 31, 2022: RMB 60.97) were restricted for ownership or use rights due to being as security deposits for obtaining commercial housing mortgage loan. As of June 30, 2023, bank deposits with a book value of RMB 371288.89 (December 31, 2022: RMB 0.00) were used as funds for engineering supervision accounts, with restricted ownership or use rights. As of June 30, 2023, bank deposits with a book value of RMB 7,220,000.00 (December 31, 2022: RMB 7,220,000.00) were used as performance bonds for civil air defense projects under construction with restricted ownership or use rights. As of June 30, 2023, bank deposits with a book value of RMB 3,870,224.21 (December 31, 2022: RMB 2,877,968.69) were used as fast payment business risk deposits with restricted ownership or use rights.

2. As of June 30, 2023, the inventory with a book value of RMB 8,925,585.72 (December 31, 2022: RMB 0.00) was judicially seized by the court due to litigation.

3. As of June 30, 2023, long-term equity investments with a book value of RMB 102918559.00 (December 31, 2022: RMB 102918559.00) and other non-current financial assets with a book value of RMB 621447424.37 (December 31, 2022: RMB 621447424.37) were frozen by the Shanghai Public Security Bureau.

3. As of June 30, 2023, the payment business reserve fund with a book value of RMB 420,922,188.51 (December 31, 2022: 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 investments**1. Overview of external equity investment**

√Applicable Not applicable

As of the end of June 2023, the external investment amount was RMB 9,107.0687 million (including trading financial assets of RMB 51.611 million, long-term equity investment of RMB 7,002.8608 million, other equity instrument investment of RMB 579.4743 million, and other non-current financial assets of RMB 1,473.1226 million), an increase of RMB 1,011.7564 million, or 12.50%, from RMB 8,095.3123 million (including trading financial assets of RMB 62.331 million, long-term equity investment of RMB 6,033.4729 million, other equity instrument investment of RMB 499.2008 million, and other non-current financial assets of RMB 1,500.3076 million) at the end of the previous year. The main changes were as follows:

I. Trading financial assets decreased by RMB 10.72 million from the end of the previous year, due to the redemption of RMB 3.5 million in bank wealth management, the sale of shares of Dongfang International Entrepreneurship Co., Ltd., and a decrease of RMB 7.22 million in fair value changes.

II. Long-term equity investment increased by RMB 969.3879 million from the end of the previous year, due to:

1. Recovering the investment principal of RMB 50 million from Yiwu Hongyi Equity Investment Fund Partnership Enterprise (Limited Partnership).

2. The net increase of RMB 1019.3879 million in the accrued income by equity method and other comprehensive income. Mainly due to the investment income of joint ventures, including RMB 859.624 million from Yiwu Guoshen Shangbo Property Co., Ltd., RMB 123.6073 million from Shangcheng Property, and RMB 52.1737 million from Chouzhou Financial Leasing.

III. Other equity instrument investments increased by RMB 80.2735 million YoY, due to changes in the fair value of the held shares of Shenwan Hongyuan Group Co., Ltd.

IV. Other non-current financial assets decreased by RMB 27.1850 million YoY, which was due to the liquidation and withdrawal of RMB 17.8791 million from the investment in Yiwu Shanyue Equity Investment Partnership (Limited Partnership). The income from the change in the fair value of other non-current financial assets was RMB -9.3059 million.

(1).Major equity investments

□Applicable √Not applicable

(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	92% of the total project quantity has been completed in the processing park southern zone project; 95% of indoor decoration work has been completed; 95% of installation work has been completed; 90% of the installation of exterior wall windows has been completed; the excavation and backfilling of the pipeline have been basically completed, and the construction of landscaping work has been started; the power supply work for the factory area has been completed.	3,448.83	294,018.88
Logistics Park S2	108,000.00	Fully roofed, 75% of the masonry work completed, and warehouse 3 and warehouse 4 passed the acceptance of main structure.	8,169.97	31,703.87
Logistics Park S3	132,000.00	Fully roofed, 75% of the masonry work completed, and warehouses 1, 3, 4, and 5 passed the acceptance of the main structure.	5,599.45	35,999.50
Yiwu Digital Trade Industrial Park	39,579.00	Preparation work was carried out before acceptance of all buildings in the southern zone; the main structure of the northern zone has been fully roofed, 76% of the indoor installation work has been completed as scheduled, and the installation of the outdoor loop has begun to be arranged.	1,072.87	16,887.94
Yiwu International Digital Logistics Market	113,600.00	50% of the total project has been completed, in which the main structures of warehouses 1, 2, 4, 5 and the comprehensive building have been roofed, and four floors of warehouses 3 and 6 have been completed.	24,597.87	36,200.11
Global Digital Free Trade Center	832,082.00	The underground main structure of the first phase project (hotel plot) has been completed, with 33% of the above-ground main structure completed, and approximately 29.3% of the total contract quantity completed; the construction unit of the first bid section of the second phase project (comprehensive plot) entered the site to build temporary facilities, and the bidding announcement was made for the general contracting of the second bid section.	12,103.48	19,291.30

(3).Financial assets measured with fair value

√Applicable □Not applicable

Unit: RMB10,000

Category of assets	Opening balance	Profits and losses from changes in fair value in the current period	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	6,233.10	212.40	-	-	2.11	1,286.51	-	5,161.10
Other equity instruments investment	49,920.08	-	1,938.67	-	-	-	8,027.35	57,947.43
Other non-current financial assets	150,030.76	-930.59	-	-	-	1,787.91	-	147,312.26
Total	206,183.94	-718.19	1,938.67	-	2.11	3,074.42	8,027.35	210,420.79

Securities Investment

√Applicable □Not applicable

Unit: RMB10,000

Securities	Security code	Security abbreviation	Initial investment cost	Source of funds	Opening book value	Profits and losses from changes in fair value in the current period	Cumulative fair value changes included in equity	Current purchase amount	Sales amount in current period	Profits and losses from investment in current period	Closing book value	Accounting item
Stocks	/	New shares	-	Self-owned funds	-	-	-	2.11	2.11	1.36	-	Held-for-trading financial assets
Stocks	000166	Shenwan Hongyuan	55,362.54	Self-owned funds	49,920.08	-	1,938.67	-	-	-	57,947.43	Other equity instruments investment
Stocks	600278	Oriental Venture	5,000.00	Self-owned funds	2,365.16	305.83	-	-	1,027.84	175.01	1,643.15	Held-for-trading financial assets
Stocks	833979	Tiantu	15,519.21	Self-owned	4,773.97	-930.59	-	-	-	-	3,843.38	Other

		Investment		funds								non-current financial assets
Total	/	/	75,881.75	/	57,059.21	-624.76	1,938.67	2.11	1,029.95	176.37	63,433.96	/

Explanation of securities investment

Applicable Not applicable

PE investment

Applicable Not applicable

The book value of private equity fund investments during this reporting period was RMB 1,224.6583 million, a decrease of RMB 17.8791 million from RMB 1,242.5374 million at the end of the previous year, which was due to the liquidation and withdrawal of RMB 17.8791 million from the investment in Yiwu Shanyue Equity Investment Partnership (Limited Partnership) in this period.

Derivatives investment

Applicable Not applicable

(v) Major sales of assets and equity

□Applicable √Not applicable

(vi) 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's own capital investment, asset management, investment consulting services, investment management services	400,000.00	279,308.32	262,017.82	-316.36
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	200,087.01	-100,401.78	-5,562.04
Yiwu Shangbo Yuncang Enterprise Management Co., Ltd.	Enterprise management; property management, etc.	30,000.00	89,740.61	31,311.57	-1,076.72
Yiwu Commodities City Gonglian Property Co., Ltd.	Real estate development and sale	20,000.00	16,247.87	15,718.55	-56.49
Kuaijietong Payment Service Co., Ltd.	Internet payment service	18,000.00	61,038.81	13,044.05	-572.02
Yiwu Xingchen Enterprise Management Co., Ltd.	R&D of computer and multimedia software	15,000.00	269,467.70	75,806.27	-13.98
Yiwu China Commodities City Import and Export Co., Ltd.	Domestic trade and international trade	10,000.00	99,073.86	4,099.00	-1,676.63
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	39,887.42	16,933.43	4,639.89
Yiwu China Commodities City Supply Chain Management Co., Ltd.	Supply chain management service	10,000.00	16,589.16	6,145.64	-664.21
Zhejiang Yiwugou E-commerce Co., Ltd.	Computer software, multimedia technologies, computer network and application, and wholesale & retail	10,000.00	14,737.46	11,408.92	1,055.64
CCCP	Real estate development and sale	500,000.00	1,857,068.88	645,810.35	26,262.14
Yiwu Hongyi Equity Investment Fund Partnership (limited partnership)	Investment management, equity investment, asset management and investment consulting	200,100.00	181,717.75	181,692.29	720.44
Zhejiang Chouzhou Financial Lease Co., Ltd.	Financial lease service, and transfer of financial lease assets	100,000.00	1,924,201.56	208,222.81	20,066.83
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	135,787.39	88,325.38	4,168.51
Pujiang Lvgu Property Co., Ltd.	Real estate development and sale	70,000.00	132,327.94	74,617.45	-1,831.78
Zhijie Yuangang	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	47,156.65	42,838.22	-2,654.82

Yiwu Rongshang Property Co., Ltd.	Real estate development and sale	10,204.08	13,971.63	13,971.57	0.08
Yiwu Chuangcheng Property Co., Ltd.	Real estate development and sale	8,333.33	74,853.12	12,967.82	-2,057.65
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	491,211.15	191,886.22	175,429.06

(vii) Structured entities controlled by the Company

Applicable Not applicable

V. Other disclosure matters**(i) Potential risks**

Applicable Not applicable

1. Macroeconomic fluctuation risk. The profitability of the Company's main businesses such as market operations, hotel exhibitions, and product sales is significantly correlated with the macroeconomic cycle. If global economic growth is sluggish and trade volume shrinks, it will lead to a decrease in the overall prosperity of the Yiwu small commodity market, which will have a negative impact on shop leasing and related businesses.

2. Risk of new business development being short of expectations. The commodity sales business is still in the stage of expanding scale and maintaining channels, and the gross profit margin of this business is still low in the short term. At the same time, the Company is currently transitioning to an international trade comprehensive service provider. If the profitability of the new business falls short of expectations, it will lower the Company's comprehensive gross profit margin level.

3. Risk of insufficient reserves of talents. With the acceleration of market transformation and the expansion of the Company's business, and with the expansion of 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 inter-disciplinary talents.

4. 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.

(ii) Other disclosure matters

Applicable Not applicable

Section IV. Corporate Governance

I. 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
2023 First Provisional General Meeting of Shareholders	January 13, 2023	www.sse.com.cn	January 14, 2023	See the resolution notice for details
2022 Annual General Meeting of Shareholders	May 5, 2023	www.sse.com.cn	May 6, 2023	See the resolution notice for details

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

Applicable Not applicable

Statement on shareholders' meetings

Applicable Not applicable

1. The 2023 First Provisional General Meeting of Shareholders reviewed and approved the Proposal on the Redemption of the Remuneration of Certain Directors of the Company in 2021.

2. The 2022 Annual General Meeting of Shareholders deliberated and approved the 2022 Work Report of the Board of Directors, 2022 Work Report of the Board of Supervisors, 2022 Annual Report and Summary, 2022 Financial Statement Report, 2023 Financial Budget Report, 2022 Annual Profit Distribution Plan, Proposal on Renewing the Appointment of Accounting Firms, Proposal on the Proposed Issuance of Debt Financing Instruments in the Next 12 Months, Proposal on Investment in the Construction of Yiwu Global Digital Trade Center.

II. Changes in directors, supervisors and senior officers of the Company

Applicable Not applicable

Name	Title	Change
Huang Xiaoying	Vice general manager	Hiring

Statement on the changes in directors, supervisors and senior officers of the Company

Applicable Not applicable

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

Semi-annual proposals on profits distribution and capitalization of capital reserve

Whether to distribute profits or capitalize the capital reserve	No
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IV. Incentive stock option plans, employee stock ownership plans and other employee incentives granted by the Company and the impact thereof

(i) Related equity incentive matters that have been disclosed in the provisional announcement without progress or change in subsequent implementation

Applicable Not applicable

Overview of the matter	Query website
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<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</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>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>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 8, 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</p>	<p>For details, see the Company's announcement on the website of the Shanghai Stock Exchange</p>

<p>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>(www.sse.com.cn) on October 21, 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

Section V. Environmental and Social Responsibilities

I. Environmental issues

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

Applicable Not applicable

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

Applicable Not applicable

(iii) Further progress or change of the environmental issues disclosed during the reporting period

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

During the reporting period, the Company's Yiwu International Trade City used clean energy for power generation, reducing emissions of approximately 11,523 tons of carbon dioxide equivalent.

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

Applicable Not applicable

Section VI. Significant Matters

I. Fulfillment of commitments

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

Applicable Not applicable

II. 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. Information about audit on the semi-annual reportApplicable Not applicable**V. Changes and handling of matters involved in modified audit opinion in the previous year's annual report**Applicable Not applicable**VI. Matters relating to bankruptcy and reorganization**Applicable Not applicable**VII. Material litigations and arbitrations**There were 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

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	Unfair Competition Dispute [(2021) Z 0782 MC No. 6367]	485	No	Transferred	
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 project construction contract [(2022) N 0202 MC No. 4273]	430.69	No	Judgment has been made	1. The defendant Shizuishan Shengyuze Asset Management Co., Ltd. shall pay the outstanding project payment of RMB 3,819,617 and interest of RMB 303,211, totaling RMB 4,122,828, to the plaintiff Ningxia Shenghong Construction Engineering Co., Ltd. within 15 days after the effective date of this judgment; 2. Other litigation requests from the plaintiff Ningxia Shenghong Construction Engineering Co., Ltd. was rejected
Ying Jianhua	The Company, third party Shenzhen Pengrun Construction	Nil	Litigation	Dispute over construction project construction contract	836.31	No	Mediation in progress	

	Group Co., Ltd.			[(2022) Z 0782 MSQT No. 18007]				
The Company	Jingang Curtain Wall Group Co., Ltd. and Qianghuang New Materials Co., Ltd.	Nil	Litigation	Dispute over construction project construction contract [(2023) Z 0782 MSQT No. 3593]	919.11	No	Mediation in progress	
The Company	Zhejiang Baoye Curtain Wall Decoration Co., Ltd.	Nil	Litigation	Dispute over construction project construction contract [(2023) Z 0782 MSQT No. 4170]	936.36	No	Mediation in progress	
Hebei Construction Engineering Group Co., Ltd.	Haicheng Yiwu China Commodities City Investment Development Co., Ltd.	Nil	Litigation	Dispute over construction project construction contract (2023) L 0381 MC No. 1585	7,431.59	No	Undecided	

(iii) Other statements

Applicable Not applicable

VIII. 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

IX. 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.

X. 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 10th meeting of the 9th Board of Directors of the Company reviewed and approved the Proposal on Project Construction Entrustment Management and Related Party Transactions, and agreed to sign the Engineering Project Entrustment Management Contract 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 2023-019) disclosed by the Company on the website of the Shanghai Stock Exchange (www.sse.com.cn) on May 12, 2023.

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	98,212,858.68	98,212,858.68	80.98	Account transfer	98,212,858.68	Not applicable
Yiwu Security Service Co., Ltd.	Subsidiaries of controlling shareholder parent company	Acceptance of labor service	Security service fee	Market price	10,038,757.30	10,038,757.30	8.28	Account transfer	10,038,757.30	Not applicable
CCCH	Controlling shareholders	Lease	Warehouses	Market price	7,512,968.82	7,512,968.82	6.19	Account transfer	7,512,968.82	Not applicable
Yiwu China Commodities City Property Service Co., Ltd.	Subsidiary of controlling shareholder	Selling goods and providing services	Product sales and system development	Market price	1,787,078.02	1,787,078.02	1.47	Account transfer	1,787,078.02	Not applicable
Yourworld International Conference Center Company of Yiwu Market Development Group Co., Ltd.	Branches of the controlling shareholder parent company	Other inflow	Management service fee	Negotiated price	1,545,161.54	1,545,161.54	1.27	Account transfer	1,545,161.54	Not applicable

CCCP	Subsidiary of controlling shareholder	Lease	Office space	Market price	494,462.28	494,462.28	0.41	Account transfer	494,462.28	Not applicable
MDG	Controlling shareholder parent company	Other inflow	Management and license fees	Negotiated price	428,129.58	428,129.58	0.35	Account transfer	428,129.58	Not applicable
Yourworld International Conference Center Company of Yiwu Market Development Group Co., Ltd.	Branches of the controlling shareholder parent company	Selling goods and providing services	Product sales and washing fees	Market price	410,332.78	410,332.78	0.34	Account transfer	410,332.78	Not applicable
Yiwu Market Development Service Center Co., Ltd.	Subsidiaries of controlling shareholder parent company	Lease	Parking lot	Market price	320,811.73	320,811.73	0.26	Account transfer	320,811.73	Not applicable
Yiwu Shangbo Yungu Enterprise Management Co., Ltd.	Subsidiary of controlling shareholder	Lease	Office space	Market price	292,115.22	292,115.22	0.24	Account transfer	292,115.22	Not applicable
Yourworld International Conference Center Company of Yiwu Market Development Group Co., Ltd.	Branches of the controlling shareholder parent company	Acceptance of labor service	Meeting affair charge	Market price	233,917.62	233,917.62	0.19	Account transfer	233,917.62	Not applicable
Total				/	/	121,276,593.57	100.00	/	/	/
Return of large-value goods sales				Not applicable						

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 arising from asset acquisitions or equity acquisitions and sales**1. Matters that have been disclosed in the temporary announcements and had no further progresses or changes**

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

Unit: RMB10,000

Related party	Relationship	Type of related-party transaction	Contents of related-party transaction	Pricing principle	Book value of transferred assets	Assessed value of transferred assets	Transfer Price	Settlement method	Gains from asset transfer	The impact of transactions on the Company's operating results and financial condition	Reasons for significant differences between transaction price and book value or assessed value or market fair value
Zhijie Yuanang	Associates	Equity transfer	Transfer of 60% equity of Yiwu Huanqiu Yida Logistics Co., Ltd	Market price	1,264.45	2,412	2,412	Account transfer	1,129.10	Not applicable	This transaction was completed through public listing

Explanation of related transactions arising from asset acquisition and sale

For details, please refer to Note 8: Changes in the scope of consolidation

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) Other significant related transactions

Applicable Not applicable

(vii) Other

Applicable Not applicable

XI. Material contracts and performance thereof

1. Trusteeship, contracting and leases

Applicable Not applicable

2. Material guarantees fulfilled or not completely fulfilled in the reporting period

√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	Principal debts	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	7,509.22	Dec 16, 2015	Jul 1, 2015	Dec 15, 2026	Joint and several liability guarantee	Normal	Nil	No	No	Not applicable	SCO provided a counter-guarantee	Yes	Joint venture
Hangzhou Shangbo Nanxing	Wholly-owned subsidiary	House purchaser	473.78				Joint and several liability guarantee	Normal	Nil	No	No	Not applicable	Not applicable	No	Not applicable
Amount of guarantees made during the reporting period (excluding the guarantees provided for subsidiaries)										-1,981.56					
Balance of guarantees at the end of the reporting period (A) (excluding the guarantees provided for subsidiaries)										7,983.00					
Guarantees provided by the Company for its 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)	7,983.00
Ratio of the total amount of guarantees to the Company's net assets (%)	0.47
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	Not applicable
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 June 30, 2023, Yiwu Shanglv actually borrowed RMB 153,249,486.86 (December 31, 2022: RMB 193,468,056.42) from the bank in total. According to the agreement of the guarantee contract, it assumed the guarantee liability of RMB 75,092,248.56 (December 31, 2022: RMB 94,799,347.65) for the Agricultural Bank of China Yiwu Branch. Yiwu State-owned Capital Operation Co., Ltd. provided a counter guarantee for this guarantee.</p> <p>2. According to relevant regulations, before the purchaser of the commercial housing sold by the Group has obtained the property certificate, the Group shall provide the purchaser with a bank mortgage guarantee. As of June 30, 2023, the unsettled guarantee amount was RMB 4,737,833.66 (December 31, 2022: RMB 4,846,333.64). 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>

3. Other material contracts

Applicable Not applicable

XII. Other significant matters

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

During the reporting period, the total number of shares and capital stock structure of the Company did not change.

2. Description of changes in shares

Applicable Not applicable

3. The impact of share changes on financial indicators such as earnings per share and net assets per share during the period from the end of the reporting period to the disclosure date of the semi-annual report (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

II. Information of restricted shareholders

(i) Information of shareholders:

Number of common shareholders as of the end of the reporting period	208,473
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(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	8,293,170	70,048,035	1.28	0	Unk	0	Other
Dacheng Fund – Agricultural Bank of China – Dacheng 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
GF Fund – Agricultural Bank of China – GF China Securities Financial Assets Management Scheme	-5,328,400	22,344,400	0.41	0	Unk	0	Unk

China Constructi on Bank Corporatio n - GF Technolog y Innovation Hybrid Securities Investmen t Fund	20,356,9 00	20,356,900	0.37	0	Unk	0	Unk
China Merchants Bank Corporatio n - Minsheng Jiayin Growth Preferred Equity Securities Investmen t Fund	19,800,0 33	19,800,033	0.36	0	Unk	0	Unk
Bank of China Limited - GF Small and Medium Cap Selected Hybrid Securities Investmen t Fund	19,204,3 00	19,204,300	0.35	0	Unk	0	Unk
Gao Yaping	16,923,7 00	16,923,700	0.31	0	Unk	0	Domestic natural person
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-denomin ated common share	3,038,179,392				
Zhejiang Zhecai Capital Management Co., Ltd.	147,466,528	RMB-denomin ated common share	147,466,528				
Hong Kong Central Clearing Company Limited	70,048,035	RMB-denomin ated common share	70,048,035				

Dacheng Fund— Agricultural Bank of China—Dacheng China Securities Financial Assets Management Scheme	27,672,800	RMB-denomin ated common share	27,672,800
Southern Asset Management— Agricultural Bank of China—Southern China Securities Financial Assets Management Scheme	27,672,800	RMB-denomin ated common share	27,672,800
GF Fund— Agricultural Bank of China—GF China Securities Financial Assets Management Scheme	22,344,400	RMB-denomin ated common share	22,344,400
China Construction Bank Corporation - GF Technology Innovation Hybrid Securities Investment Fund	20,356,900	RMB-denomin ated common share	20,356,900
China Merchants Bank Corporation - Minsheng Jiayin Growth Preferred Equity Securities Investment Fund	19,800,033	RMB-denomin ated common share	19,800,033
Bank of China Limited - GF Small and Medium Cap Selected Hybrid Securities Investment Fund	19,204,300	RMB-denomin ated common share	19,204,300
Gao Yaping	16,923,700	RMB-denomin ated common share	16,923,700
Explanation on the relationship or concerted action between the above shareholders			
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 ten shareholders due to the placement of new shares

Applicable Not applicable

III. Directors, supervisors and senior management

(i) Changes in shareholdings of present and resigned directors, supervisors and senior management during the reporting period

Applicable Not applicable

Statement on other matters

Applicable Not applicable

(ii) The equity incentives granted to directors, supervisors and senior management during the reporting period

Applicable Not applicable

(iii) Other statements

Applicable Not applicable

IV. Changes in controlling shareholder or actual controller

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 Unit: RMB

Name of bond	Abbreviation	Code	Issue date	Value date	Maturity date	Outstanding amount	Interest rate (%)	Method of principal repayment and interest payment	Marketplace	Whether there is a risk of terminating the transaction in the stock market
Zhejiang China Commodities City Group Co., Ltd. publicly issued corporate bonds to professional investors in 2022 (Issue 1)	22 YIWU CCC 01	137740	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 investors in 2022 (Issue 2)	22 YIWU CCC 02	137815	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 repaid once due.	Shanghai Stock Exchange	No

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

Applicable Not applicable

Bonds overdue

Applicable Not applicable

Explanation on overdue debts

Applicable Not applicable

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

Applicable Not applicable

3. Adjustment in credit rating results

Applicable Not applicable

Other statements

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 (2023) 020239] on June 27, 2023. The Company's main credit rating is AAA. The rating outlook is stable.

4. 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

Other statements

Nil

5. 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 Unit: RMB

Name of bond	Abbreviation	Code	Issue date	Value date	Maturity date	Outstanding amount	Interest rate (%)	Method of principal repayment and interest payment	Marketplace	Investor appropriate arrangements (if any)	Trade mechanism	Whether there is a risk of terminating the transaction in the stock market
Zhejiang China Commodities City Group Co., Ltd.'s 2022 MTN (Issue 1)	22 Zhejiang Yiwu CCC MTN001	102280347	Feb-2-2022 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 2023 Super Short-term Financing Bonds (Issue 1)	23 Zhejiang Yiwu CCC SCP001	012381077	From March 16, 2023 to March 17, 2023	March 20, 2023	September 15, 2023	10	2.85	One-time repayment of principal and interest at maturity.	Interbank market	Nil		No

Zhejiang China Commodities City Group Co., Ltd.'s 2023 Super Short-term Financing Bonds (Issue 2)	23 Zhejiang Yiwu CCC SCP002	012381886	May 2023	16, May 17, 2023	November 10, 2023	10	2.57	One-time repayment of principal and interest at maturity.	Interbank market	Nil		No
Zhejiang China Commodities City Group Co., Ltd.'s 2023 Super Short-term Financing Bonds (Issue 3)	23 Zhejiang Yiwu CCC SCP003	012382295	From June 16, 2023 to June 19, 2023	June 20, 2023	March 15, 2024	10	2.68	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

Explanation on overdue debts

Applicable Not applicable

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

Applicable Not applicable

3. Adjustment in credit rating results

Applicable Not applicable

Other statements

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 (2023) 020239] on June 27, 2023. The Company's main credit rating is AAA. The rating outlook is stable.

4. 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

Other statements

Nil

5. 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) Main accounting data and financial indicators

Applicable Not applicable

Unit: RMB

Major indicator	Jun 30, 2023	Dec 31, 2022	Jun 30, 2023 versus Dec 31, 2022 (%)	Reasons for change
Current ratio	45.82%	42.33%	Up 3.49 ppt	
Quick ratio	35.31%	31.61%	Up 3.70 ppt	
Debt-to-asset ratio (%)	49.04	52.41	Down 3.37 ppt	
	Jan-Jun 2023	Jan-Jun 2022	YoY Change (%)	Reasons for change
Net profit after deduction of non-recurring gains and losses	1,839,365,824.67	1,181,715,806.64	55.65	Mainly due to a YoY increase of RMB 778 million in net profit, and the same below
EBITDA to total debt ratio	0.31	0.20	55.00	
Interest coverage ratio	19.59	9.83	99.29	
Cash interest protection multiple	2.25	-1.93	Not applicable	Due to a YoY increase in net cash flow generated from operating activities
EBITDA-to-interest coverage ratio	22.50	12.08	86.26	Mainly due to a YoY increase in net profit
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

II. Financial statements

Consolidated Balance Sheet

June 30, 2023

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

Unit: RMB

Item	Note	June 30, 2023	December 31, 2022
Current assets:			
Cash and cash equivalents		2,176,441,243.02	1,991,298,971.30
Held-for-trading financial assets		51,610,980.66	62,331,000.66
Accounts receivable		150,768,192.08	210,750,725.36
Prepayments		917,588,009.93	606,057,048.25
Other receivables		87,930,115.50	419,398,092.62
Inventory		1,223,358,143.35	1,330,351,243.87
Other current assets		725,289,690.84	634,209,950.69
Total current assets		5,332,986,375.38	5,254,397,032.75
Non-current assets:			
Debt investments		48,066,000.00	48,079,561.64
Long-term receivables		288,037,945.91	278,299,600.73
Long-term equity investment		7,002,860,849.12	6,033,472,919.92
Other equity instruments investment		579,474,299.94	499,200,803.85
Other non-current financial assets		1,473,122,562.94	1,500,307,562.13
Property investment		3,541,905,331.54	2,851,643,180.42
Fixed assets		4,991,042,386.46	5,220,882,784.47
Construction in progress		2,749,978,013.56	2,860,064,818.36
Right-of-use assets		202,220,518.66	217,702,910.81
Intangible assets		6,351,921,020.08	6,461,849,690.36
Development expenses		14,588,967.82	4,660,995.87
Goodwill		284,916,367.87	284,916,367.87
Long-term prepaid expenses		268,638,087.91	306,925,970.89
Deferred income tax assets		151,447,548.30	150,346,801.31
Other non-current assets		138,253,316.00	138,253,316.00
Total non-current assets		28,086,473,216.11	26,856,607,284.63
Total assets		33,419,459,591.49	32,111,004,317.38
Current liabilities:			
Short-term borrowings		1,809,722,500.02	1,059,287,361.11
Accounts payable		475,316,014.07	1,191,314,404.15
Advances from customers		648,525,649.84	885,993,269.48
Contract liabilities		3,159,674,905.35	3,991,038,021.56
Payroll payable		119,585,250.83	183,135,314.51
Tax payable		174,131,551.64	214,998,424.41
Other payables		1,615,071,971.63	1,325,596,105.43
Non-current liabilities due within one year		134,947,210.88	86,852,293.01
Other current liabilities		3,503,035,185.79	3,473,907,027.00
Total current liabilities		11,640,010,240.05	12,412,122,220.66
Non-current liabilities:			
Long-term borrowings		648,185,725.67	404,500,000.00
Bonds payable		3,497,930,395.94	3,497,416,819.75

Lease liabilities		201,494,376.11	206,623,735.97
Estimated liabilities		110,620,306.10	110,620,306.10
Deferred income		161,143,393.10	103,582,129.94
Deferred income tax liabilities		127,885,691.87	95,042,722.31
Total non-current liabilities		4,747,259,888.79	4,417,785,714.07
Total liabilities		16,387,270,128.84	16,829,907,934.73
Owners' equity (or shareholders' equity)			
Paid-in capital (share capital)		5,486,074,176.00	5,486,074,176.00
Capital reserve		1,660,079,638.41	1,651,146,033.96
Less: treasury stocks		80,753,291.00	119,483,675.00
Other comprehensive income		43,907,749.43	-24,008,473.60
Surplus reserve		1,616,083,136.73	1,616,083,136.73
General risk reserve		1,038,991.13	1,038,991.13
Undistributed profits		8,293,179,416.65	6,651,440,591.35
Total equity attributable to owners (shareholders) of the parent company		17,019,609,817.35	15,262,290,780.57
Minority interest		12,579,645.30	18,805,602.08
Total owners' equity (or shareholders' equity)		17,032,189,462.65	15,281,096,382.65
Total liabilities and owners' equity (or shareholders' equity)		33,419,459,591.49	32,111,004,317.38

Legal Representative: ZHAO Wenge Person in Charge of Finance: WANG Dong
Head of Finance Department: ZHAO Difang

Balance Sheet of Parent Company

June 30, 2023

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

Unit: RMB

Item	Note	June 30, 2023	December 31, 2022
Current assets:			
Cash and cash equivalents		1,602,339,736.11	1,439,042,451.56
Accounts receivable		17,779,452.00	22,032,390.71
Prepayments		14,661,292.74	11,055,123.31
Other receivables		26,842,202.39	329,607,469.39
Inventory		5,539,270.27	4,599,032.34
Other current assets		3,240,507,005.04	3,650,862,939.52
Total current assets		4,907,668,958.55	5,457,199,406.83
Non-current assets:			
Long-term receivables		36,763,731.53	36,763,731.53
Long-term equity investment		10,345,905,964.12	9,210,422,313.34
Other equity instruments investment		579,474,299.94	499,200,803.85
Other non-current financial assets		132,747,145.89	142,053,056.97
Property investment		3,483,137,850.92	2,803,007,146.68
Fixed assets		3,948,053,217.18	4,122,738,826.73
Construction in progress		1,905,406,697.14	2,318,993,733.00
Right-of-use assets		106,443,457.58	109,853,155.63
Intangible assets		5,772,352,421.37	5,872,460,683.86
Long-term prepaid expenses		242,617,779.51	275,795,256.99
Deferred income tax assets		139,329,428.72	137,378,229.19
Total non-current assets		26,692,231,993.90	25,528,666,937.77
Total assets		31,599,900,952.45	30,985,866,344.60
Current liabilities:			
Short-term borrowings		1,809,722,500.02	1,059,287,361.11
Accounts payable		281,452,212.79	822,773,769.51
Advances from customers		597,100,599.53	861,860,467.12
Contract liabilities		2,213,236,702.02	3,032,044,768.16
Payroll payable		93,018,884.38	139,946,321.85
Tax payable		158,760,824.64	188,723,169.42
Other payables		1,304,983,892.59	1,075,413,151.71
Non-current liabilities due within one year		113,405,539.68	64,688,676.55
Other current liabilities		3,757,437,897.35	3,726,398,088.04
Total current liabilities		10,329,119,053.00	10,971,135,773.47
Non-current liabilities:			
Long-term borrowings		486,700,000.00	404,500,000.00
Bonds payable		3,497,930,395.94	3,497,416,819.75
Lease liabilities		115,164,029.26	110,999,791.68
Estimated liabilities		110,620,306.10	110,620,306.10
Deferred income		102,871,393.10	103,582,129.94
Deferred income tax liabilities		46,119,757.77	13,046,676.14
Total non-current liabilities		4,359,405,882.17	4,240,165,723.61
Total liabilities		14,688,524,935.17	15,211,301,497.08
Owners' equity (or shareholders' equity)			
Paid-in capital (share capital)		5,486,074,176.00	5,486,074,176.00
Capital reserve		1,253,928,868.47	1,885,778,197.50
Less: treasury stocks		80,753,291.00	119,483,675.00
Other comprehensive income		19,386,651.71	-40,818,470.36

Surplus reserve		1,616,029,660.90	1,616,029,660.90
Undistributed profits		8,616,709,951.20	6,946,984,958.48
Total owners' equity (or shareholders' equity)		16,911,376,017.28	15,774,564,847.52
Total liabilities and owners' equity (or shareholders' equity)		31,599,900,952.45	30,985,866,344.60

Legal Representative: ZHAO Wenge Person in Charge of Finance: WANG Dong
Head of Finance Department: ZHAO Difang

Consolidated Income Statement
Jan.-Jun. 2023

Unit: RMB

Item	Note	Jan-Jun 2023	Jan-Jun 2022
I. Gross revenue		5,160,991,043.25	4,207,027,616.46
In which: operating revenue		5,160,991,043.25	4,207,027,616.46
II. Gross cost		4,038,995,021.46	3,611,063,999.15
In which: Operating cost		3,582,510,450.35	3,159,298,146.77
Taxes and surcharges		46,693,684.31	63,312,437.35
Sales expenses		77,763,668.49	93,282,063.73
Administrative expenses		267,899,068.22	226,571,368.27
R&D expenses		10,524,249.20	5,708,047.58
Financial expenses		53,603,900.89	62,891,935.45
In which: interest expenses		125,445,414.65	154,500,444.77
Interest income		38,139,798.22	89,271,567.84
Plus: other income		14,631,536.76	16,715,248.69
Investment income (loss is indicated by "-")		1,033,500,114.51	750,723,439.63
In which: income from investment in associates and joint ventures		1,017,671,762.53	748,873,944.26
Changes in fair value (loss is indicated by "-")		-7,181,931.08	-2,213,593.53
Credit impairment loss (loss is indicated by "-")		548,917.85	27,935.44
Income from disposal of assets (loss is indicated by "-")		165,883,894.78	1,389.88
III. Operating profit (loss is indicated by "-")		2,329,378,554.61	1,361,218,037.42
Plus: income from non-operating activities		3,111,709.63	4,017,499.69
Less: expenses from non-operating activities		197,968.35	430,003.61
IV. Profits before tax (loss is indicated by "-")		2,332,292,295.89	1,364,805,533.50
Less: income tax		331,637,822.02	142,279,469.17
V. Net profits (net loss is indicated by "-")		2,000,654,473.87	1,222,526,064.33
(I) Categorized by continuity of operation			
Net profits from continuing operation (net loss is indicated by "-")		2,000,654,473.87	1,222,526,064.33
(II) Categorized by ownership			
Net profits attributable to shareholders of the parent company (net loss is indicated by "-")		1,998,333,646.74	1,222,205,978.81
Minority interest (net loss is indicated by "-")		2,320,827.13	320,085.52
VI. Other comprehensive income, net of tax		67,799,099.64	-67,583,697.37
(I) Other comprehensive income attributable to owners of the parent company, net of tax		67,916,223.03	-67,518,435.44
1. Other comprehensive income that cannot be reclassified as profits or loss		60,205,122.07	-78,078,517.69
(3) Changes in fair value of investments in other equity instruments		60,205,122.07	-78,078,517.69
2. Other comprehensive income that will be reclassified as profits or loss		7,711,100.96	10,560,082.25
Other comprehensive income that can be transferred into Profits and losses under equity method		-	-78,548.99
(6) Difference arising from the translation of foreign currency financial statements		7,711,100.96	10,638,631.24
(2) After -tax net of other comprehensive income attributable to minority shareholders		-117,123.39	-65,261.93
VII. Total comprehensive income		2,068,453,573.51	1,154,942,366.96
(I) Total comprehensive income attributable to		2,066,249,869.77	1,154,687,543.37

owners of the parent company			
(II) Total comprehensive income attributable to minority shareholders		2,203,703.74	254,823.59
VIII. Earnings per share:			
(I) Basic earnings per share		0.37	0.22
(II) Diluted earnings per share		0.37	0.22

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

Jan.-Jun. 2023

Unit: RMB

Item	Note	Jan-Jun 2023	Jan-Jun 2022
I. Operating revenue		1,923,534,277.16	1,436,820,545.38
Less: Operating cost		525,153,455.43	444,169,635.03
Taxes and surcharges		29,462,268.30	49,112,350.75
Sales expenses		37,008,590.21	39,499,869.87
Administrative expenses		130,896,651.97	99,654,988.83
Financial expenses		65,718,043.69	75,012,149.89
In which: interest expenses		125,445,414.65	154,500,444.77
Interest income		30,709,123.09	86,046,217.34
Plus: other income		12,319,396.64	6,672,653.40
Investment income (loss is indicated by "-")		1,044,304,324.89	754,092,157.92
In which: income from investment in associates and joint ventures		1,040,883,650.78	753,179,755.40
Changes in fair value (loss is indicated by "-")		-9,305,911.08	-7,738,181.32
Credit impairment loss (loss is indicated by "-")		1,193.47	-151,096.47
Income from disposal of assets (loss is indicated by "-")		163,241,247.23	1,971,031.95
II. Operating profits (loss is indicated by "-")		2,345,855,518.71	1,484,218,116.49
Plus: income from non-operating activities		1,090,764.24	3,754,970.99
Less: expenses from non-operating activities		53,023.89	131,077.29
III. Profits before tax (loss is indicated by "-")		2,346,893,259.06	1,487,842,010.19
Less: income tax		320,573,444.90	154,728,322.57
IV. Net profits (net loss is indicated by "-")		2,026,319,814.16	1,333,113,687.62
(I) Categorized by continuity of operation (net loss is indicated by "-")		2,026,319,814.16	1,333,113,687.62
V. Other comprehensive income, net of tax		60,205,122.07	-78,078,517.69
(I) Other comprehensive income that cannot be reclassified as Profits and losses		60,205,122.07	-78,078,517.69
3. Changes in fair value of investments in other equity instruments		60,205,122.07	-78,078,517.69
VI. Total comprehensive income		2,086,524,936.23	1,255,035,169.93
VII. Earnings per share:			

Legal Representative: ZHAO Wenge Person in Charge of Finance: WANG Dong
Head of Finance Department: ZHAO Difang

Consolidated Cash Flow Statement

Jan.-Jun. 2023

Unit: RMB

Item	Note	Jan-Jun 2023	Jan-Jun 2022
I. Cash flow from operating activities:			
Cash received from sale of goods and rendering of services		4,977,640,834.09	3,817,631,052.46
Cash received for taxes and surcharges refunded		23,897,946.46	224,460,979.51
Other cash receipts relating to operating activities		187,951,543.68	222,892,462.11
Sub-total of cash inflow from operating activities		5,189,490,324.23	4,264,984,494.08
Cash paid for goods and services		4,090,931,069.08	3,653,727,304.04
Cash paid to and on behalf of employees		339,067,822.26	325,183,213.92
Payments of taxes		358,963,558.10	605,322,164.89
Other cash payments relating to operating activities		257,280,679.01	347,339,144.85
Sub-total of cash outflow from operating activities		5,046,243,128.45	4,931,571,827.70
Net cash flow from operating activities		143,247,195.78	-666,587,333.62
II. Cash flow from investing activities:			
Cash received from recovery of investment		80,872,677.09	2,838,060,000.34
Cash received from investment income		136,547,121.87	118,704,141.34
Net cash received from disposal of property, plant and equipment, intangible assets and other long-term assets		208,129,700.93	355,650.91
Net cash received from disposal of subsidiaries and other business units		12,482,830.94	-
Other cash receipts relating to investing activities		501,750,200.00	901,774,483.00
Sub-total of cash inflow from investing activities		939,782,530.83	3,858,894,275.59
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		1,433,747,137.68	1,180,574,429.74
Cash paid to acquire investments		21,106.36	3,082,074,693.64
Other cash paid related to investing activities		11,553,412.19	68,507,285.00
Sub-total of cash outflow from investing activities		1,445,321,656.23	4,331,156,408.38
Net cash flow from investing activities		-505,539,125.40	-472,262,132.79
III. Cash flow from financing activities:			
Cash received from borrowings		2,111,485,725.67	2,275,250,000.00
Cash received from bond issuance		2,998,270,624.05	2,500,000,000.00
Sub-total of cash inflow from financing activities		5,109,756,349.72	4,775,250,000.00
Cash paid for debts repayment		4,072,600,000.00	3,700,000,000.00
Cash paid for distribution of dividends or profits or payment of interest		479,370,705.33	459,508,761.85
Other cash paid related to financing activities		14,105,217.90	11,970,676.79
Sub-total of cash outflow from financing activities		4,566,075,923.23	4,171,479,438.64
Net cash flow from financing activities		543,680,426.49	603,770,561.36
IV. Effect of foreign exchange rate		2,390,230.36	2,944,567.22

changes on cash and cash equivalents			
V. Net increase in cash and cash equivalents		183,778,727.23	-532,134,337.83
Plus: opening balance of cash and cash equivalents		1,981,200,941.64	4,006,468,325.47
VI. Closing balance of cash and cash equivalents		2,164,979,668.87	3,474,333,987.64

Legal Representative: ZHAO Wenge Person in Charge of Finance: WANG Dong
Head of Finance Department: ZHAO Difang

Cash Flow Statement of Parent Company

Jan.-Jun. 2023

Unit: RMB

Item	Note	Jan-Jun 2023	Jan-Jun 2022
I. Cash flow from operating activities:			
Cash received from sale of goods and rendering of services		1,098,788,301.57	358,669,144.91
Cash received for taxes and surcharges refunded		-	168,188,111.96
Other cash receipts relating to operating activities		70,609,769.29	97,589,662.20
Sub-total of cash inflow from operating activities		1,169,398,070.86	624,446,919.07
Cash paid for goods and services		236,241,398.35	166,099,659.04
Cash paid to and on behalf of employees		174,499,662.84	203,530,312.37
Payments of taxes		293,658,960.27	537,128,931.09
Other cash payments relating to operating activities		126,086,015.59	251,492,294.32
Sub-total of cash outflow from operating activities		830,486,037.05	1,158,251,196.82
Net cash flow from operating activities		338,912,033.81	-533,804,277.75
II. Cash flow from investing activities:			
Cash received from recovery of investment		4,589,970,369.66	5,314,515,684.34
Cash received from investment income		124,316,127.19	107,024,942.32
Net cash received from disposal of property, plant and equipment, intangible assets and other long-term assets		205,308,403.69	329,836.53
Net cash received from disposal of subsidiaries and other business units		-	9,380,000.00
Other cash receipts relating to investing activities		501,750,200.00	886,118,683.00
Sub-total of cash inflow from investing activities		5,421,345,100.54	6,317,369,146.19
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		908,361,246.65	989,899,828.33
Cash paid to acquire investments		5,053,269,903.20	5,864,167,378.64
Other cash paid related to investing activities		31,628,618.75	26,734,400.00
Sub-total of cash outflow from investing activities		5,993,259,768.60	6,880,801,606.97
Net cash flow from investing activities		-571,914,668.06	-563,432,460.78
III. Cash flow from financing activities:			
Cash received from borrowings		1,950,000,000.00	2,275,250,000.00
Cash received from bond issuance		2,998,270,624.05	2,500,000,000.00
Sub-total of cash inflow from financing activities		4,948,270,624.05	4,775,250,000.00
Cash paid for debts repayment		4,072,600,000.00	3,700,000,000.00
Cash paid for distribution of dividends or profits or payment of interest		479,370,705.33	459,508,761.85
Sub-total of cash outflow from financing activities		4,551,970,705.33	4,159,508,761.85
Net cash flow from financing activities		396,299,918.72	615,741,238.15
IV. Effect of foreign exchange rate changes on cash and cash equivalents			
		-	-
V. Net increase in cash and cash			
		163,297,284.47	-481,495,500.38

equivalents			
Plus: opening balance of cash and cash equivalents		1,431,822,390.59	3,527,117,072.56
VI. Closing balance of cash and cash equivalents		1,595,119,675.06	3,045,621,572.18

Legal Representative: ZHAO Wenge Person in Charge of Finance: WANG Dong
Head of Finance Department: ZHAO Difang

Statement of Changes in Consolidated Owners' Equity
Jan.-Jun. 2023

Unit: RMB

Item	Jan-Jun 2023									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. Closing balance of the same reporting period of previous year	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	
II. Opening balance of the current year	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	
III. YoY change (decrease is indicated by "-")	-	8,933,604.45	-38,730,384.00	67,916,223.03	-	-	1,641,738,825.30	1,757,319,036.78	-6,225,956.78	1,751,093,080.00	
(I) Total comprehensive income	-	-	-	67,916,223.03	-	-	1,998,333,646.74	2,066,249,869.77	2,203,703.74	2,068,453,573.51	
(II) Owners' contribution to and reduction in capital	-	8,933,604.45	-38,730,384.00	-	-	-	-	47,663,988.45	-	47,663,988.45	
3. Amount of share-based payment into owner's equity	-	8,933,604.45	-	-	-	-	-	8,933,604.45	-	8,933,604.45	
4 · Others	-	-	-38,730,384.00	-	-	-	-	38,730,384.00	-	38,730,384.00	
(III) Profits	-	-	-	-	-	-	-356,594,821.44	-356,594,821.44	-	-356,594,821.44	

Semi-annual Report for 2023

distribution										
3 · Distribution to owners (or shareholders)	-	-	-	-	-	-	-356,594,821.44	-356,594,821.44	-	-356,594,821.44
(VI) Others	-	-	-	-	-	-	-	-	-8,429,660.52	-8,429,660.52
IV. Closing balance of the current period	5,486,074,176.00	1,660,079,638.41	80,753,291.00	43,907,749.43	1,616,083,136.73	1,038,991.13	8,293,179,416.65	17,019,609,817.35	12,579,645.30	17,032,189,462.65

Item	Jan-Jun 2022								
	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. Closing balance of the same reporting period 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 "-")	-	16,414,582.49	-	-67,518,435.44	-	821,342,963.96	770,239,111.01	254,823.59	770,493,934.60
(I) Total comprehensive income	-	-	-	-67,518,435.44	-	1,222,205,978.81	1,154,687,543.37	254,823.59	1,154,942,366.96
(II) Owners' contribution to and reduction in capital	-	16,414,582.49	-	-	-	-	16,414,582.49	-	16,414,582.49
3. Amount of share-based payment into owner's equity	-	16,414,582.49	-	-	-	-	16,414,582.49	-	16,414,582.49

(III) Profits distribution	-	-	-	-	-	-400,863,014.85	-400,863,014.85	-	-400,863,014.85
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	5,491,274,176.00	1,647,923,697.45	137,494,800.00	-6,667,700.42	1,505,209,795.50	6,880,839,810.81	15,381,084,979.34	20,251,049.06	15,401,336,028.40

Legal Representative: ZHAO Wenge
Difang

Person in Charge of Finance: WANG Dong

Head of Finance Department: ZHAO

Statement of Changes in Owners' Equity of Parent Company

Jan.-Jun. 2023

Unit: RMB

Item	Jan-Jun 2023						
	Paid-in capital (share capital)	Capital reserve	Less: treasury stocks	Other comprehensive income	Surplus reserve	Undistributed profits	Total owners' equity
I. Closing balance of the same reporting period of previous year	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
II. Opening balance of the current year	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
III. YoY change (decrease is indicated by "-")	-	-631,849,329.03	-38,730,384.00	60,205,122.07	-	1,669,724,992.72	1,136,811,169.76
(I) Total comprehensive income	-	-	-	60,205,122.07	-	2,026,319,814.16	2,086,524,936.23
(II) Owners' contribution to and reduction in capital	-	5,769,315.06	-38,730,384.00	-	-	-	44,499,699.06
3. Amount of share-based payment into owner's equity	-	5,769,315.06	-	-	-	-	5,769,315.06
4 · Others	-	-	-38,730,384.00	-	-	-	38,730,384.00
(III) Profits distribution	-	-	-	-	-	-356,594,821.44	-356,594,821.44
2. Distribution to owner (or shareholders)	-	-	-	-	-	-356,594,821.44	-356,594,821.44
(VI) Others	-	-637,618,644.09	-	-	-	-	-637,618,644.09
IV. Closing balance of the current period	5,486,074,176.00	1,253,928,868.47	80,753,291.00	19,386,651.71	1,616,029,660.90	8,616,709,951.20	16,911,376,017.28

Item	Jan-Jun 2022						
	Paid-in capital (share capital)	Capital reserve	Less: treasury stocks	Other comprehensive income	Surplus reserve	Undistributed profits	Total owners' equity
I. Closing balance of the same reporting period 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 "-")	-	4,215,089.34	-	-78,078,517.69	-	932,250,672.77	858,387,244.42
(I) Total comprehensive income	-	-	-	-78,078,517.69	-	1,333,113,687.62	1,255,035,169.93
(II) Owners' contribution to and reduction in capital	-	4,215,089.34	-	-	-	-	4,215,089.34
3. Amount of share-based payment into owner's	-	4,215,089.34	-	-	-	-	4,215,089.34

Semi-annual Report for 2023

equity							
(II) Profits distribution	-	-	-	-	-	-400,863,014.85	-400,863,014.85
2. Distribution to owner (or shareholders)	-	-	-	-	-	-400,863,014.85	-400,863,014.85
IV. Closing balance of the current period	5,491,274,176.00	1,870,356,367.84	137,494,800.00	-11,656,614.36	1,505,156,319.67	7,282,238,575.03	15,999,874,024.18

Legal Representative: ZHAO Wenge

Person in Charge of Finance: WANG Dong

Head of Finance Department: ZHAO Difang

III. Basic information of the Company

1. Company profile

Applicable Not applicable

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

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

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

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 June 30, 2023, 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 3,416,411,319.41. 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 June 30, 2023, the Group’s unused bank credit line of was RMB 2,968,100,000.00. 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 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 Company's accounting year is from Jan 1 to Dec 31 of each calendar year.

3. Operating cycle

Applicable Not applicable

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

4. Functional currency

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

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 Profits and losses 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 Profits and losses for the current period; other comprehensive income from the long-term equity investment of the acquiree before the date of acquisition under the equity method shall be accounted on the same basis as that for the direct disposal of related assets or liabilities by the investee, and other changes in shareholders' equity than net gains or losses, other comprehensive income and profit distribution shall be recognized in the Profits and losses 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

The Group's cash refers to cash on hand, deposits available for payment at any time, and cash equivalents refer to the investments held by the Group with a short period (generally due within three months from the date of purchase), high liquidity and small risk in value change, and easy to convert to a known amount in cash.

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 Profits and losses 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 Profits and losses 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 Profits and losses 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 Profits and losses 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 Profits and losses 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 Profits and losses for the current period, the related transaction fees will be directly recognized in the Profits and losses for the current period; the related transaction fees of other financial assets will be recognized in the initially recognized amounts thereof.

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

Investment in debt instruments measured by amortized cost

A financial asset is classified into those measured by amortized cost, if the business model for the management of the asset is for the purpose of collecting contractual cash flow; and the terms of the contract of the asset stipulate that the cash flow generated on the specific date is only the repayment of principal and the payment of interest on the outstanding principal. The interest income of such financial assets is recognized with the effective interest method, and the gains or losses from the de-recognition, modification or impairment thereof are all recognized in the Profits and losses 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 Profits and losses for the current period, while the subsequent changes in fair value are recognized in other comprehensive income, and no provision is required for impairment. When the financial assets are derecognized, the accumulated gains or losses previously recognized in other comprehensive income will be moved out of other comprehensive income and recognized in retained earnings.

Financial assets that are measured by fair value and of which the changes in fair value are recognized in the Profits and losses 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 Profits and losses 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 Profits and losses 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 Profits and losses 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 Profits and losses for the current period, the related transaction fees are recognized directly in the

Profits and losses 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 Profits and losses 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 Profits and losses 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 Profits and losses 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 Profits and losses 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 Profits and losses 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

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 asset refers to the right to receive a consideration for the transfer of goods or services to a customer, and this right depends on the factors other than the passage of time.

(2). Determination and accounting treatment of the expected credit loss of contract assets√Applicable Not applicable

Please refer to Note V.10. Financial Instruments for details.

17. Held-for-sale assets

Applicable Not applicable

18. Debt investments**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**Determination and accounting treatment of the expected credit loss of other debt investments**

Applicable Not applicable

20. Long-term receivables**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 Profits and losses, other comprehensive income, and profit distribution is transferred to the current Profits and losses 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 Profits and losses, other comprehensive income, and profit distribution is transferred to the current Profits and losses 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 Profits and losses for the current period and the cost of the long-term equity investment will be adjusted simultaneously.

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

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

net gains or losses, other comprehensive income and profit distribution will be recognized in the Profits and losses for the current period pro rata.

22. Property investment

(1). Under 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 Profits and losses 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 Profits and losses 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 Profits and losses 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 Profits and losses 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 Profits and losses 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 Profits and losses 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 Profits and losses 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

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 Profits and losses 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 Profits and losses 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 Profits and losses 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 Profits and losses, 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 Profits and losses 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 Yiwu Market 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 Yiwu Market 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 Yiwu Market 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 Profits and losses.

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 Profits and losses 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 Profits and losses 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 Profits and losses 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 Profits and losses); 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 Profits and losses 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 Profits and losses 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 Profits and losses on a straight-line basis over each period of the lease term, and variable lease payments not included in lease receipts are included in Profits and losses 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 Profits and losses 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 2023, 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. Other

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. Other

□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	218,145.54	220,471.11
Bank deposits	2,176,166,493.38	1,990,327,169.17
Other cash and cash equivalents	56,604.10	751,331.02

Total	2,176,441,243.02	1,991,298,971.30
In which: amount deposited abroad	41,583,347.91	76,203,839.82

Other notes:

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

Item	Unit: RMB	
	Closing balance	Opening balance
Financial assets that are measured by fair value and of which the changes in fair value are recognized in the Profits and losses for the current period	51,610,980.66	62,331,000.66
Among them:		
Bank financing products	35,179,435.66	38,679,435.66
Equity instrument investment	16,431,545.00	23,651,565.00
Total	51,610,980.66	62,331,000.66

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

(6). Provisions for bad debts

Applicable Not applicable

(7). Notes receivable actually written off during the current period

□Applicable √Not applicable

Other notes:

□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	150,946,794.66
Subtotal within 1 year	150,946,794.66
1 to 2 years	7,609,047.28
2 to 3 years	80,451.00
Over 3 years	100,234.00
Total	158,736,526.94

(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	3.94	6,261,907.10	100.00	-	6,261,907.10	2.86	6,261,907.10	100.00	-
Among them:										
Lease receivables	6,261,907.10	3.94	6,261,907.10	100.00	-	6,261,907.10	2.86	6,261,907.10	100.00	-
Accounts receivable for which bad debt provision is made by group	152,474,619.84	96.06	1,706,427.76	1.12	150,768,192.08	212,986,900.01	97.14	2,236,174.65	1.05	210,750,725.36
Among them:										
Accounts receivable for which the bad debts are provided by combination of credit risk characteristics	152,474,619.84	96.06	1,706,427.76	1.12	150,768,192.08	212,986,900.01	97.14	2,236,174.65	1.05	210,750,725.36
Total	158,736,526.94	/	7,968,334.86	/	150,768,192.08	219,248,807.11	/	8,498,081.75	/	210,750,725.36

Accounts receivable for which bad debt provision is made individually:

√Applicable □Not applicable

Unit: RMB

Name	Closing balance			
	Book balance	Bad debt provision	Provision ratio (%)	Reason for provision
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

Combined provision items: accounts receivable with provision for bad debts based on credit risk characteristics

Unit: RMB

Name	Closing balance		
	Accounts receivable	Bad debt provision	Provision ratio (%)
Accounts receivable for which the bad debts are provided by combination of credit risk characteristics	152,474,619.84	1,706,427.76	1.12
Total	152,474,619.84	1,706,427.76	1.12

Standard for recognition of provision for bad debt by combination of credit risk characteristics and descriptions:

Applicable Not applicable

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

Applicable Not applicable

Unit: RMB

Account age	End of June 2023		
	Estimated book balance in default	Expected credit loss rate (%)	Expected credit loss in whole duration
Within 1 year	150,946,794.66	0.99	1,499,085.35
1 - 2 years	1,347,140.18	6.99	94,113.26
2 - 3 years	80,451.00	16.15	12,995.15
Over 3 years	100,234.00	100.00	100,234.00
Total	152,474,619.84		1,706,427.76

(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	Charge-off or write-off	
Bad debt provision for accounts receivable	8,498,081.75	-	529,746.89	-	7,968,334.86
Total	8,498,081.75	-	529,746.89	-	7,968,334.86

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	Closing balance of bad debt provision
--------	-----------------	---	---------------------------------------

		receivable (%)	
Total balance of the accounts receivable with the top five entities	36,896,309.25	23.24	6,566,143.99
Total	36,896,309.25	23.24	6,566,143.99

(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	912,327,191.47	99.43	600,114,288.07	99.02
1 to 2 years	1,044,513.21	0.11	5,252,760.18	0.87
2 to 3 years	3,876,305.25	0.42	240,000.00	0.04
Over 3 years	340,000.00	0.04	450,000.00	0.07
Total	917,588,009.93	100.00	606,057,048.25	100.00

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

Unit: RMB

Debtor	Closing balance	Proportion in total closing balance of prepayments (%)
PACIFIC SEAFOOD TRADER SA	83,558,074.90	9.11
Binzhou Yellow River Oasis Agricultural Development Co., Ltd.	79,063,450.00	8.62
INDUSTRIAL PESQUERA SANTA PRISCILA S.A.	71,462,338.36	7.79
Sociedad Nacional de Galapagos C.A. SONGA	65,308,100.38	7.12
NEGOCIOS INDUSTRIALES REAL NIRSA S.A.	55,112,031.87	6.01
Total	354,503,995.51	38.65

Other statements

Applicable Not applicable

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

Unit: RMB

Item	Closing balance	Opening balance
Other receivables	87,930,115.50	419,398,092.62
Total	87,930,115.50	419,398,092.62

Other notes:

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

Unit: RMB

Account age	Closing book balance
Within 1 year	
In which: sub-items	
Within 1 year	71,074,199.16
Subtotal within 1 year	71,074,199.16
1 to 2 years	1,560,683.39
2 to 3 years	2,393,621.32
Over 3 years	17,008,357.32
Bad debt provision for other receivables	-4,106,745.69
Total	87,930,115.50

(2). Classification based on the nature of accounts√Applicable Not applicable

Unit: RMB

Nature of receivable	Closing book balance	Opening book balance
Withholdings and deposits	81,190,657.14	84,610,870.01
Receivables from export tax rebate	4,934,649.01	10,041,570.82

Reserve	1,804,809.35	958,739.70
Financial assistance receivable from joint ventures	-	323,786,912.09
Total	87,930,115.50	419,398,092.62

(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 of January 1, 2023	4,141,791.44			4,141,791.44
Balance as of January 1, 2023 in the current period				
Provision made in the current period	77,346.86			77,346.86
Current reversal	96,517.82			96,517.82
Write-off in current period	15,874.79			15,874.79
Balance as of June 30, 2023	4,106,745.69			4,106,745.69

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	4,141,791.44	77,346.86	96,517.82	15,874.79	4,106,745.69
Total	4,141,791.44	77,346.86	96,517.82	15,874.79	4,106,745.69

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	15,874.79

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 Weiniuke Trading Co., Ltd	Advance payment	4,275,000.00	Within 1 year	4.64	-
Yiwu Shengran Trading Co., Ltd.	Advance payment	4,027,918.00	Within 1 year	4.38	-
Yiwu Green Light Import and Export Co., Ltd	Advance payment	2,645,000.00	Within 1 year	2.87	-
Yiwu Jufu Import and Export Co., Ltd	Advance payment	2,378,500.00	Within 1 year	2.58	-
Yiwu Changde Import and Export Co., Ltd	Advance payment	2,126,000.00	Within 1 year	2.31	-
Total	/	15,452,418.00	/	16.78	-

(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 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	238,747.71	-	238,747.71	555,462.87	-	555,462.87
Finished goods	137,875,101.03	-	137,875,101.03	212,470,958.56	-	212,470,958.56
Work-in-progress materials	4,114,430.01	-	4,114,430.01	2,445,689.69	-	2,445,689.69
Development cost	67,907,950.27	28,303,338.06	39,604,612.21	67,907,950.27	28,303,338.06	39,604,612.21
Development products	1,041,525,252.39	-	1,041,525,252.39	1,075,274,520.54	-	1,075,274,520.54
Total	1,251,661,481.41	28,303,338.06	1,223,358,143.35	1,358,654,581.93	28,303,338.06	1,330,351,243.87

(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	Other	Charge-off or write-off	Other	
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

As of June 30, 2023, the inventory with a book value of RMB 35,797,443.87 (December 31, 2022: RMB 35,797,443.87) was formed by capitalization of borrowing costs.

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

□Applicable √Not applicable

Other notes:

√Applicable □Not applicable

Inventory-Development Cost Unit: RMB-yuan Unit: 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
Total	67,907,950.27	-	-	67,907,950.27

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

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Haicheng Phase I Business Street	915,616,130.79	-	-	915,616,130.79
Haicheng Phase II Business Street	159,658,389.75	528,468.99	34,277,737.14	125,909,121.60
Total	1,075,274,520.54	528,468.99	34,277,737.14	1,041,525,252.39

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

Other notes:

□Applicable √Not applicable

11. Held-for-sale assets

Applicable Not applicable

12. Non-current assets due within one year

Applicable Not applicable

13. Other current assets

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Payment business reserve	420,922,188.51	367,484,914.87
To-be-deducted input tax	285,384,179.21	146,697,598.28
Advance income tax	12,324,603.12	113,127,305.76
To-be-certified input tax	5,106,740.58	5,348,152.36
Entrusted loans to the market traders	1,737,479.42	1,737,479.42
Less: bad debt provision for entrusted loans	-185,500.00	-185,500.00
Total	725,289,690.84	634,209,950.69

Other notes:

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	48,066,000.00	-	48,066,000.00	48,079,561.64	-	48,079,561.64
Total	48,066,000.00	-	48,066,000.00	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

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

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	
Receivables from joint ventures	280,785,954.02	-	280,785,954.02	269,877,115.20	-	269,877,115.20	
Financial assistance							
Guarantee deposit	7,251,991.89	-	7,251,991.89	8,422,485.53	-	8,422,485.53	
Total	288,037,945.91	-	288,037,945.91	278,299,600.73	-	278,299,600.73	/

(2) Bad debt provision

□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 notes:

□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
		Decrease in investment	Investment gains or losses recognized with the equity method	Adjustment of other comprehensiv e income		
1. Joint ventures						
Yiwu Shanglv	396,972,448.93	-	20,662,266.60	-	417,634,715.53	-
Yiwu Rongshang Property	65,650,902.46	-	2,809,806.79	-	68,460,709.25	-
Yiwu Chuangcheng Property	28,449,292.72	-	2,673,475.72	-	31,122,768.44	-
Yiwu Guoshen Shangbo Property Co., Ltd.	75,740,065.56	-	859,602,411.13	-	935,342,476.69	-
Other	35,311,309.47	-	-730,256.49	-	34,581,052.98	3,327,216.16
Sub-total	602,124,019.14	-	885,017,703.75	-	1,487,141,722.89	3,327,216.16
2. Associates						
Huishang Micro-finance	78,209,979.82	-	1,067,437.11	-	79,277,416.93	-
Huishang Redbud equity	80,251,875.33	-	-15,920,657.62	-	64,331,217.71	-
Chouzhou Financial Lease	489,205,549.91	-	52,173,749.11	-	541,379,299.02	-
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 partnership)	102,918,559.00	-	-	-	102,918,559.00	-
Pujiang Lvgu Property Co., Ltd.	378,839,597.00	-	-8,975,700.27	-	369,863,896.73	-
CCCP	2,985,480,694.55	-	123,607,288.99	-	3,109,087,983.54	-
Yiwu Hongyi Equity Investment Fund Partnership (limited partnership)	945,642,085.02	50,000,000.00	12,315,353.28	-	907,957,438.30	-
Zhijie Yuangang	145,563,439.33	-	-7,168,026.16	-	138,395,413.17	-
Other	228,564,336.98	-	-24,445,385.66	1,716,166.67	205,835,117.99	-
Sub-total	5,444,184,166.16	50,000,000.00	132,654,058.78	1,716,166.67	5,528,554,391.61	9,508,049.22
Total	6,046,308,185.30	50,000,000.00	1,017,671,762.53	1,716,166.67	7,015,696,114.50	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
Other	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, as of June 30, 2023, 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.	579,474,299.94	499,200,803.85
Total	579,474,299.94	499,200,803.85

(2). Non-trading equity instruments investment

□Applicable √Not applicable

Other notes:

□Applicable √Not applicable

19. Other non-current financial assets

√Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance
PE investment	1,224,658,299.12	1,242,537,387.23
Unlisted equity investment	210,030,495.82	210,030,495.82
NEEQ equity investment	38,433,768.00	47,739,679.08
Total	1,473,122,562.94	1,500,307,562.13

Other notes:

Nil

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	3,066,726,500.66	441,780,232.93	3,508,506,733.59
2. Increase in the current period	759,764,008.59	-	759,764,008.59
(1) Purchase	83,263,968.57	-	83,263,968.57
(2) Inventory\fixed assets\construction in progress changed into property investment	676,500,040.02	-	676,500,040.02
3. Decrease in the current period	-	-	-
4. Closing balance	3,826,490,509.25	441,780,232.93	4,268,270,742.18
II. Accumulated depreciation and accumulated amortization			
1. Opening balance	564,165,088.47	92,698,464.70	656,863,553.17
2. Increase in the current period	63,836,494.36	5,665,363.11	69,501,857.47
(1) Provision or amortization	63,836,494.36	5,665,363.11	69,501,857.47
3. Decrease in the current period	-	-	-
4. Closing balance	628,001,582.83	98,363,827.81	726,365,410.64
III. Depreciation provision			
1. Opening balance	-	-	-
4. Closing balance	-	-	-
IV. Book value			
1. Closing book value	3,198,488,926.42	343,416,405.12	3,541,905,331.54
2. Opening book value	2,502,561,412.19	349,081,768.23	2,851,643,180.42

(2). Information of the investment real estate for which the property right certificate has not yet been obtained:√Applicable Not applicable

Unit: RMB

Item	Book value	Reasons for having not obtained the ownership certificate
Comprehensive Bonded Zone	1,713,868,771.75	Completion settlement not completed
Trading Station of Yiwu CCC Warehousing Park	90,528,086.57	Completion settlement not completed
Office building of the auxiliary project in western Yiwu	82,309,277.35	Completion settlement not completed
Total	1,886,706,135.67	

Other statements

√Applicable Not applicable

As of June 30, 2023, amount of the investment real estate for which the property right certificate has not yet been obtained was RMB 1,886,706,135.67.

21. Fixed assets**Presentation of items**√Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Fixed assets	4,991,042,386.46	5,220,882,784.47
Total	4,991,042,386.46	5,220,882,784.47

Other notes:

Nil

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	7,924,300,361.81	3,987,303,785.61	9,920,098.37	11,921,524,245.79
2. Increase in the current period	-	2,232,611.64	-	2,232,611.64
(1) Purchase	-	2,232,611.64	-	2,232,611.64
3. Decrease in the current period	83,309,880.51	9,263,374.74	-	92,573,255.25
(1) Disposal or retirement	78,487,337.91	8,983,227.97	-	87,470,565.88
(2) Other changeover	4,822,542.60	280,146.77	-	5,102,689.37
4. Closing balance	7,840,990,481.30	3,980,273,022.51	9,920,098.37	11,831,183,602.18
II. Accumulated depreciation				
1. Opening balance	3,021,987,133.97	3,200,000,153.08	7,490,706.42	6,229,477,993.47
2. Increase in the current period	149,412,757.51	38,675,304.85	380,583.25	188,468,645.61
(1) Provision	149,412,757.51	38,675,304.85	380,583.25	188,468,645.61
3. Decrease in the current period	41,047,257.95	7,921,633.26	-	48,968,891.21
(1) Disposal or retirement	41,047,257.95	7,794,849.63	-	48,842,107.58
(2) Other changeover	-	126,783.63	-	126,783.63
4. Closing balance	3,130,352,633.53	3,230,753,824.67	7,871,289.67	6,368,977,747.87
III. Depreciation provision				
1. Opening balance	471,163,467.85	-	-	471,163,467.85
4. Closing balance	471,163,467.85	-	-	471,163,467.85
IV. Book value				
1. Closing book value	4,239,474,379.92	749,519,197.84	2,048,808.70	4,991,042,386.46
2. Opening book value	4,431,149,759.99	787,303,632.53	2,429,391.95	5,220,882,784.47

(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	558,037,755.60	Completion settlement not completed
Liaoning Xiliu Yiwu China Commodities City	293,081,222.75	Completion settlement not completed
Huangyuan Clothing Market	237,956,529.59	Completion settlement not completed
CCC Hotel	49,814,446.51	Completion settlement not completed
Total	1,138,889,954.45	Completion settlement not completed

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 June 30, 2023, the amount of fixed assets for which the property right certificate has not yet been obtained due to the pending final settlement was RMB 1,138,889,954.45.

Disposal of fixed assets

Applicable Not applicable

22. Construction in progress**Presentation of items**

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Construction in progress	2,749,978,013.56	2,860,064,818.36
Total	2,749,978,013.56	2,860,064,818.36

Other notes:

Nil

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
Liaoning Xiliu Yiwu China Commodities City Commerce Phase I Project—Hotel Project	32,290,506.33	-4,635,059.96	27,655,446.37	32,290,506.33	-4,635,059.96	27,655,446.37
The Zhimei Dachen tourism project	22,801,228.71	-	22,801,228.71	22,801,228.71	-	22,801,228.71
The Chian West Sea tourism project	73,438,528.07	-	73,438,528.07	70,003,472.35	-	70,003,472.35
The Yiwu Comprehensive Bonded Zone Project	1,211,584,391.17	-	1,211,584,391.17	1,853,596,168.27	-	1,853,596,168.27
Yiwu Digital Trade Industrial Park	168,879,447.19	-	168,879,447.19	158,150,730.63	-	158,150,730.63
Global Digital Free Trade Center	192,912,936.22	-	192,912,936.22	71,878,178.97	-	71,878,178.97
Logistics Park S2	317,038,694.08	-	317,038,694.08	235,339,023.06	-	235,339,023.06
Logistics Park S3	359,995,043.23	-	359,995,043.23	304,000,538.70	-	304,000,538.70
Yiwu International Digital Logistics Market	362,001,254.36	-	362,001,254.36	116,022,418.71	-	116,022,418.71
Other projects	13,671,044.16	-	13,671,044.16	617,612.59	-	617,612.59
Total	2,754,613,073.52	-4,635,059.96	2,749,978,013.56	2,864,699,878.32	-4,635,059.96	2,860,064,818.36

(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 transferred to investment real estate in this period	Closing amount Balance	Accumulated investment in the project as a percentage of the budget Proportion (%)	Progress of project	Accumulated capitalized interest	In which: capitalized interest in the current period	Interest capitalization ratio for the current period (%)	Source of funds
Liaoning Xiliu Yiwu China Commodities City Commerce Phase I Project—Hotel Project	180,000.00	3,229.05	-	-	3,229.05	96.32	Shutdown	154.61	-	-	Self-owned/financing
The Zhimei Dachen tourism project	6,000.00	2,280.13	-	-	2,280.13	97.25	Under construction	-	-	-	Self-owned
The Chian West Sea tourism project	8,000.00	7,000.35	343.51	-	7,343.86	89.36	Under construction	-	-	-	Self-owned
The Yiwu Comprehensive Bonded Zone Project	624,250.00	185,359.62	3,448.83	67,650.00	121,158.45	57.39	Under construction	2,034.32	2,034.32	2.91	Self-owned/financing
Yiwu Digital Trade Industrial Park	39,579.00	15,815.07	1,072.87	-	16,887.94	42.67	Under construction	220.95	220.95	2.91	Self-owned/financing
Global Digital Free Trade Center	832,082.00	7,187.82	12,103.48	-	19,291.30	2.35	Under construction	211.39	211.39	2.91	Self-owned/financing

Logistics Park S2	108,000.00	23,533.90	8,169.97	-	31,703.87	29.35	Under construction	367.60	367.60	2.91	Self-owned/financing
Logistics Park S3	132,000.00	30,400.05	5,599.45	-	35,999.50	27.27	Under construction	501.55	409.72	2.91	Self-owned/financing
Yiwu International Digital Logistics Market	113,600.00	11,602.24	24,597.87	-	36,200.11	31.86	Under construction	407.97	313.72	2.91	Self-owned/financing
Other projects	-	61.76	1,305.34	-	1,367.10	-	Under construction	-	-	-	Self-owned
Total	2,043,511.00	286,469.99	56,641.32	67,650.00	275,461.31	/	/	3,898.39	3,557.70	/	/

(3). Provision made for the impairment of construction in progress in the current periodApplicable 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 materialsApplicable 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	156,223,496.12	125,879,033.69	282,102,529.81
2. Increase in the current period	455,138.62	-	455,138.62
4. Closing balance	156,678,634.74	125,879,033.69	282,557,668.43
II. Accumulated depreciation			
1. Opening balance	53,771,643.53	10,627,975.47	64,399,619.00
2. Increase in the current period	12,646,469.39	3,291,061.38	15,937,530.77
(1) Provision	12,646,469.39	3,291,061.38	15,937,530.77
4. Closing balance	66,418,112.92	13,919,036.85	80,337,149.77
III. Depreciation provision			
1. Opening balance	-	-	-
4. Closing balance	-	-	-
IV. Book value			
1. Closing book value	90,260,521.82	111,959,996.84	202,220,518.66
2. Opening book value	102,451,852.59	115,251,058.22	217,702,910.81

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	8,087,572,660.11	194,975,359.61	8,282,548,019.72
2. Increase in the current period	-	13,871,288.89	13,871,288.89
(1) Purchase	-	8,525,099.93	8,525,099.93
(2) Internal R&D	-	5,346,188.96	5,346,188.96
3. Decrease in the current period	11,190,617.14	12,272,023.84	23,462,640.98
(1) Disposal	11,190,617.14	740,040.00	11,930,657.14
(2) Other changeover	-	11,531,983.84	11,531,983.84
4. Closing balance	8,076,382,042.97	196,574,624.66	8,272,956,667.63
II. Accumulated amortization			
1. Opening balance	1,802,910,260.76	17,788,068.60	1,820,698,329.36
2. Increase in the current period	100,025,736.90	9,507,910.08	109,533,646.98
(1) Provision	100,025,736.90	9,507,910.08	109,533,646.98
3. Decrease in the current period	6,834,652.21	2,361,676.58	9,196,328.79
(1) Disposal	6,834,652.21	678,860.36	7,513,512.57
(2) Other changeover	-	1,682,816.22	1,682,816.22
4. Closing balance	1,896,101,345.45	24,934,302.10	1,921,035,647.55
III. Depreciation provision			
1. Opening balance	-	-	-
4. Closing balance	-	-	-
IV. Book value			
1. Closing book value	6,180,280,697.52	171,640,322.56	6,351,921,020.08
2. Opening book value	6,284,662,399.35	177,187,291.01	6,461,849,690.36

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 1.03%

(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	Recognized as	

		development expenditure	intangible assets	
The development project for platform "chinagoods"	552,640.71	12,467,296.25	-	13,019,936.96
Kuaijietong Core Payment System	4,108,355.16	2,806,864.66	5,346,188.96	1,569,030.86
Total	4,660,995.87	15,274,160.91	5,346,188.96	14,588,967.82

Other notes:

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	Disposal	
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.

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

(5). **Impact of goodwill impairment test**

Applicable Not applicable

Other notes:

Applicable Not applicable

29. Long-term prepaid expenses

√Applicable □Not applicable

Unit: RMB

Item	Opening balance	Increase in the current period	Amortized amount in the current period	Closing balance
Decoration of buildings and structures	296,452,554.64	434,300.01	33,762,748.04	263,124,106.61
Advertising facilities	10,473,416.25	602,033.02	5,561,467.97	5,513,981.30
Total	306,925,970.89	1,036,333.03	39,324,216.01	268,638,087.91

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	14,972,784.88	3,743,196.22	18,828,747.02	4,707,186.78
Unrealized profits of internal transactions	1,094,793.10	273,698.28	1,094,793.10	273,698.28
Deductible losses	1,039,362.24	259,840.56	1,039,362.23	259,840.56
Recognized but unpaid liabilities	245,863,907.30	61,465,976.83	301,006,872.77	75,251,718.21
Overspent advertising cost	12,547,314.44	3,136,828.61	12,547,314.43	3,136,828.61
Right-of-use assets and lease liabilities	119,938,342.46	29,984,585.62	6,238,418.88	1,559,604.71
Asset-related government grants	79,879,800.00	19,969,950.00	79,879,800.00	19,969,950.00
Changes in the fair value of other non-current financial assets	129,478,401.20	32,369,600.30	122,472,837.68	30,618,209.42
Changes in fair value of trading financial assets	975,487.52	243,871.88	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	605,790,193.14	151,447,548.30	601,387,205.08	150,346,801.31

(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	24,853,936.77	6,213,484.20	27,573,081.34	6,893,270.33

common control				
Change in fair value of other equity instruments investment	25,848,868.92	6,462,217.23	-	-
Right-of-use assets and lease liabilities	108,242,153.82	27,060,538.46	-	-
Changes in the fair value of other non-current financial assets	352,597,807.91	88,149,451.98	352,597,807.91	88,149,451.98
Total	511,542,767.42	127,885,691.87	380,170,889.25	95,042,722.31

(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	30,468,765.02	13,856,330.50
Deductible losses	848,202,955.01	857,701,806.92
Total	878,671,720.03	871,558,137.42

(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
2023		146,809,087.31	
2024	141,460,230.07	143,780,379.93	
2025	234,332,579.07	214,526,489.77	
2026	253,334,267.99	235,236,244.78	
2027	101,523,352.45	117,349,605.13	
2028	117,552,525.43	-	
Total	848,202,955.01	857,701,806.92	/

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
Total	138,253,316.00	-	138,253,316.00	138,253,316.00	-	138,253,316.00

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	1,809,722,500.02	1,059,287,361.11
Total	1,809,722,500.02	1,059,287,361.11

Note to the classification of short-term borrowings:
Nil

(2). Overdue short-term borrowings

Applicable Not applicable

Other notes:

Applicable Not applicable

As of June 30, 2023, the annual interest rate of the above-mentioned loan was 2.35% -3.75% (December 31, 2022: 2.35% -4.151%).

33. Held-for-trading financial liabilities

Applicable Not applicable

34. Derivative financial liabilities

Applicable Not applicable

35. 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	298,935,362.25	881,114,454.44
Trade payables	69,539,451.17	58,894,383.76
Accounts payable for real estate projects	52,102,031.86	216,635,705.68
Accounts payable for procurement for the hotel project	32,820,089.58	17,465,421.40
Other	21,919,079.21	17,204,438.87
Total	475,316,014.07	1,191,314,404.15

(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	8,687,983.28	Under warranty or not billed
Total	8,687,983.28	/

Other notes:

√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	431,917,765.67	639,009,194.79
Rental advances	204,656,942.67	236,525,969.44
Other	11,950,941.50	10,458,105.25
Total	648,525,649.84	885,993,269.48

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

Other notes:

√Applicable Not applicable

Since the advances from customers are mainly from the advance use fees for shops and the single amount is small, as of June 30, 2023, 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	2,199,386,342.82	2,982,431,412.43
Advances from customers for goods	620,817,196.70	653,697,926.33
Advances from customers for advertising fee	225,190,284.87	228,163,127.56
Advance payment service fee	42,930,659.86	33,407,547.17
Advance payment for exhibition	24,195,203.57	23,697,301.00
Advances from customers for use fee of networking cables	15,135,900.94	17,747,693.18
Advances from customers for loyalty of brands	9,297,169.67	11,119,366.97
Advances from customers for housing purchase	4,536,322.88	31,199,591.78
Other	18,185,824.04	9,574,055.14
Total	3,159,674,905.35	3,991,038,021.56

(2). Amount of and reasons for material changes to book value during the reporting periodApplicable 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	179,702,065.74	239,354,632.36	301,956,937.18	117,099,760.92
II. Post employment benefits – defined contribution plan	3,433,248.77	16,274,949.53	17,222,708.39	2,485,489.91
III. Severance benefits	-	165,265.73	165,265.73	-
Total	183,135,314.51	255,794,847.62	319,344,911.30	119,585,250.83

(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	178,068,953.19	197,985,112.47	261,739,627.70	114,314,437.96
2. Employee benefits	-	13,777,309.20	13,777,309.20	-
3. Social security contribution	1,271,605.09	9,827,039.75	9,855,962.99	1,242,681.85
In which: contribution to medical insurance scheme	1,094,163.11	9,409,814.90	9,427,785.52	1,076,192.49
Contribution to work-related injury insurance scheme	118,960.20	380,384.91	391,337.53	108,007.58
Contribution to maternity insurance scheme	58,481.78	36,839.94	36,839.94	58,481.78
4. Housing provident fund	63,951.00	12,810,053.00	12,802,550.00	71,454.00
5. Contribution to trade union fund and employee education fund	297,556.46	4,955,117.94	3,781,487.29	1,471,187.11
Total	179,702,065.74	239,354,632.36	301,956,937.18	117,099,760.92

(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	3,232,206.01	15,671,373.06	16,589,269.75	2,314,309.32
2. Contribution to the unemployment insurance scheme	201,042.76	603,576.47	633,438.64	171,180.59
Total	3,433,248.77	16,274,949.53	17,222,708.39	2,485,489.91

Other notes:

Applicable Not applicable**40. Tax payable**√Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
VAT	4,985,229.25	56,402,798.28
Business tax	-240,013.55	-240,013.55

Urban maintenance and construction tax	327,484.92	2,521,434.47
Corporate income tax	86,742,057.16	6,138,842.64
Individual income tax	4,478,946.88	1,275,355.73
Land appreciation tax	10,964.44	66,652.63
Real estate tax	43,410,929.52	84,142,438.27
Land use tax	33,928,267.93	60,454,035.23
Other	487,685.09	4,236,880.71
Total	174,131,551.64	214,998,424.41

Other notes:

As of June 30, 2023, the details of the main taxes prepaid by the Group are as follows:
Unit: RMB

Item	Qiantang Impression Real Estate Project	Occident Center Real Estate Project	Total amount of prepaid tax
Business tax	240,013.55	-	240,013.55
Urban maintenance and construction tax	-	731,793.32	731,793.32
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	1,615,071,971.63	1,325,596,105.43
Total	1,615,071,971.63	1,325,596,105.43

Other notes:

Nil

Interest payable

Applicable Not applicable

Dividend payable

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	457,891,193.69	490,392,164.12
Pending investment refunds	705,903,783.09	429,637,665.00
Operating expenses payable	369,302,680.90	284,502,534.04
Restricted stock incentive plan	80,753,291.00	120,092,075.00
Other	1,221,022.95	971,667.27
Total	1,615,071,971.63	1,325,596,105.43

(2). Important other payables with account age over 1 year

Applicable Not applicable

Other notes:

Applicable Not applicable

Since other payables mainly come from the deposit deposits of market shops and the bidding deposits of engineering projects, with small individual amounts, on June 30, 2023, there were no important other payables with an aging of more than 1 year.

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	45,630,869.44	345,934.69
Bonds payable due within 1 year	64,785,452.04	61,508,191.79
Lease liabilities due within 1 year	24,530,889.40	24,998,166.53
Total	134,947,210.88	86,852,293.01

Other notes:

Nil

44. Other current liabilities

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Short-term financing notes payable	3,010,718,482.87	3,012,256,419.90
Payment business reserve	420,922,096.01	397,125,623.54
To-be-reported output tax	66,658,093.44	59,992,173.80
Dividend payable to to-be-recognized accounts	2,653,400.82	2,449,697.11
Dividend announced but not collected before listing	2,083,112.65	2,083,112.65
Total	3,503,035,185.79	3,473,907,027.00

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	September 21, 2022	240 days	1,000,000,000.00	1,005,457,214.61	-	7,901,917.80	383,333.34	1,013,742,465.75	-
Super-short-term commercial paper	100	Oct 26, 2022	240 days	1,000,000,000.00	1,003,733,756.28	-	10,901,369.86	488,161.53	1,015,123,287.67	-
Super-short-term commercial paper	100	November 22, 2022	120 days	1,000,000,000.00	1,003,065,449.01	-	6,575,342.47	222,222.22	1,009,863,013.70	-
Super-short-term commercial paper	100	March 20, 2023	179 days	1,000,000,000.00	-	1,000,000,000.00	8,042,465.75	286,111.11	-	1,007,831,354.64
Super-short-term commercial paper	100	May 17, 2023	177 days	1,000,000,000.00	-	1,000,000,000.00	3,168,493.15	123,287.67	-	1,002,806,849.31
Super-short-term commercial paper	100	June 20, 2023	269 days	1,000,000,000.00	-	1,000,000,000.00	807,671.23	19,829.91	-	1,000,080,278.92
Total	/	/	/	6,000,000,000.00	3,012,256,419.90	3,000,000,000.00	37,397,260.26	1,522,945.78	3,038,728,767.12	3,010,718,482.87

Other notes:

√Applicable □Not applicable

As of June 30, 2023, the annual interest rate of the above-mentioned short-term financing bonds was 2.57% -2.85% (December 31, 2022: 1.75% -3.00%).

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

Unit: RMB

Item	Closing balance	Opening balance
Credit loans	648,185,725.67	404,500,000.00
Total	648,185,725.67	404,500,000.00

Notes on the classification of long-term borrowings:

Nil

Other notes, including the interest rate range:

√Applicable Not applicable

As of June 30, 2023, the annual interest rate of the above-mentioned loan was 2.70% -3.20% (December 31, 2022: 2.70% -2.90%).

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

Unit: RMB

Item	Closing balance	Opening balance
Bonds payable	3,497,930,395.94	3,497,416,819.75
Total	3,497,930,395.94	3,497,416,819.75

(2). **Change in bonds payable (excluding other financial instruments classified as financial liabilities, such as preferred shares and perpetual bonds)**

√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	999,177,980.44	-	16,314,794.52	181,032.64	-	16,314,794.52	999,359,013.08
MTN	100	Mar 29, 2022	3Y	500,000,000.00	499,572,104.09	-	8,851,643.83	90,265.96	-	8,851,643.83	499,662,370.05
MTN	100	Jul 20, 2022	3Y	500,000,000.00	499,516,212.89	-	7,438,356.16	90,776.60	-	7,438,356.16	499,606,989.49
Corporate bonds	100	Sep 1, 2022	3Y	800,000,000.00	799,551,093.23	-	9,997,150.68	80,840.92	-	9,997,150.68	799,631,934.15
Corporate bonds	100	Sep 22, 2022	3Y	700,000,000.00	699,599,429.10	-	11,425,315.06	70,660.07	-	11,425,315.06	699,670,089.17
Total	/	/	/	3,500,000,000.00	3,497,416,819.75	-	54,027,260.25	513,576.19	-	54,027,260.25	3,497,930,395.94

(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

Basis for other financial instruments being classified 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	320,972,277.53	320,577,235.56
Unrecognized financing charges	-94,947,012.02	-88,955,333.06
Lease liabilities due within 1 year	-24,530,889.40	-24,998,166.53
Total	201,494,376.11	206,623,735.97

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

Long-term accounts payable

Applicable Not applicable

Special accounts payable

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 April 30, 2018, the Group lost control over the subsidiary due to its disposal of some equity in the subsidiary. Up to now, the first instance judgment has been made and has not yet taken effect.

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	103,582,129.94	58,272,000.00	710,736.84	161,143,393.10	
Total	103,582,129.94	58,272,000.00	710,736.84	161,143,393.10	/

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	4,976,779.31	-	133,333.32	4,843,445.99	Asset-related
Interest subsidy for the international exhibition center construction fund	18,725,550.63	-	577,403.52	18,148,147.11	Asset-related
Subsidy for Yiwu Comprehensive Bonded Zone Project	79,879,800.00	-	-	79,879,800.00	Asset-related
Compensation for cross-border e-commerce logistics park project	-	58,272,000.00	-	58,272,000.00	Asset-related

Other notes:

Applicable Not applicable

52. Other non-current liabilities

Applicable Not applicable

53. Capital stock

√Applicable □Not applicable

Unit: RMB

	Opening balance	Increase or decrease in the current period (+, -)			Closing balance
		Issuing New shares	Other	Sub-total	
Total number of shares	5,486,074,176.00	-	-	-	5,486,074,176.00

Other notes:

Nil

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)	1,549,909,197.11	28,586,712.00	-	1,578,495,909.11
Stock incentive	63,106,263.66	8,933,604.45	28,586,712.00	43,453,156.11
Other capital reserve	38,130,573.19	-	-	38,130,573.19
Total	1,651,146,033.96	37,520,316.45	28,586,712.00	1,660,079,638.41

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

The increase in capital reserve capital premium (capital stock premium) during this reporting period is due to the first batch of restricted stocks meeting the exercise conditions during the first term of sale. The capital reserve equity incentive corresponding to this portion of restricted stocks of the Company has been transferred to this project at RMB 28,586,712.00.

The increase in capital reserve - equity incentive during this reporting period is due to the Company's confirmation of a share-based payment fee of RMB 8,933,604.45 during the waiting period, while the decrease is due to the first batch of restricted stocks that have met the exercise conditions during the first selling period and have been transferred to capital reserve - capital premium (capital stock premium).

56. Treasury shares

√Applicable □Not applicable

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Restricted stock incentive plan	119,483,675.00	-	38,730,384.00	80,753,291.00
Total	119,483,675.00	-	38,730,384.00	80,753,291.00

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

The restricted stock incentive plan unlocked the first batch of restricted stocks in this period, reducing the number of treasury shares by 13,173,600, with a grant price of RMB 2.94 per share, and reducing the treasury shares by RMB 38,730,384.00 in this period.

57. Other comprehensive income

√Applicable □Not applicable

Unit: RMB

Item	Opening Balance	Amount in the current period			Closing Balance
		Amount before tax incurred in the current period	Less: income tax	Amount after tax attributable to parent company	
I. Other comprehensive income that cannot be reclassified into Profits and losses	-40,818,470.36	80,273,496.09	20,068,374.02	60,205,122.07	19,386,651.71
Change in fair value of other equity instruments investment	-40,818,470.36	80,273,496.09	20,068,374.02	60,205,122.07	19,386,651.71
II. Other comprehensive income to be reclassified into Profits and losses	16,809,996.76	7,711,100.96	-	7,711,100.96	24,521,097.72
Other comprehensive income that can be transferred into Profits and losses under equity method	4,060,531.46	-	-	-	4,060,531.46
Difference arising from the translation of foreign currency financial statements	12,749,465.30	7,711,100.96	-	7,711,100.96	20,460,566.26
Total other comprehensive income	-24,008,473.60	87,984,597.05	20,068,374.02	67,916,223.03	43,907,749.43

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

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	1,564,198,440.14	-	-	1,564,198,440.14
Discretionary surplus reserve	40,195,855.68	-	-	40,195,855.68
Other	11,688,840.91	-	-	11,688,840.91
Total	1,616,083,136.73	-	-	1,616,083,136.73

Notes on surplus reserves, including those on the changes in the current period and the reasons therefor:

Nil

60. Undistributed profits

√Applicable □Not applicable

Unit: RMB

Item	Current period	Previous year
Undistributed profits at the end of the previous reporting period before adjustment	6,651,440,591.35	6,059,496,846.85
Opening undistributed profits after adjustment	6,651,440,591.35	6,059,496,846.85
Plus: net profits attributable to shareholders of the parent company in the current period	1,998,333,646.74	1,104,719,091.71
Less: withdrawal of statutory surplus reserve	-	110,873,341.23
General risk reserve	-	1,038,991.13
Common share dividend payable	356,594,821.44	400,863,014.85
Closing undistributed profits	8,293,179,416.65	6,651,440,591.35

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	4,981,391,903.99	3,497,747,787.03	4,047,360,914.45	3,106,283,447.96

Other businesses	179,599,139.26	84,762,663.32	159,666,702.01	53,014,698.81
Total	5,160,991,043.25	3,582,510,450.35	4,207,027,616.46	3,159,298,146.77

(2). Revenue generated from contracts

√Applicable □Not applicable

Unit: RMB

Classified by type of contract	Total
Types of goods	
Sales of goods	2,837,601,444.17
The use of shops in Yiwu Market and its supporting services	1,696,394,598.57
Hotel accommodation and catering services	130,306,259.25
Revenue from use fees	17,419,324.72
Other services	294,652,655.65
Classified by business area	
Chines mainland	4,976,374,282.36
Classified by contract period	
Revenue confirmed at certain time point	
Sales of goods	2,837,601,444.17
Hotel catering services	68,408,571.83
Other services	182,787,606.18
Revenue confirmed during certain time period	
The use of shops in Yiwu Market and its supporting services	1,696,394,598.57
Hotel accommodation service	61,897,687.42
Revenue from use fees	17,419,324.72
Other services	111,865,049.47
Total	4,976,374,282.36

Description of the income from contracts:

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	594,429,754.91
The use of shops in Yiwu Market and its supporting services	1,599,615,654.43
Hotel accommodation service	7,275,513.89
Other services	104,740,586.68
Total	2,306,061,509.91

(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 Yiwu Market and its supporting services

The contractual performance obligation is fulfilled when providing the use of shops in Yiwu Market and the supporting services for business. For the use of shops in Yiwu Market 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 Yiwu Market 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 June 30, 2023, the transaction price allocated to the remaining contract performance obligations was RMB 3,159,674,905.35. 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	59,770,011.60	57,303,381.47
Stamp duty	2,760,376.78	2,342,930.19
Urban maintenance and construction tax	2,592,625.45	847,074.98
Education surcharge	1,111,245.71	376,577.58
Local education surcharge	740,831.51	251,051.78
Land appreciation tax	303,673.11	1,040,058.76
Cultural undertaking development fee	285,127.01	200,629.33
Vehicle and vessel use tax	1,380.00	2,040.00
Consumption tax	56.64	121.51
Business tax	-	9,307.56
Land use tax	-20,871,643.50	939,264.19
Total	46,693,684.31	63,312,437.35

Other notes:

Nil

63. Sales expenses

Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Marketing expenses	44,804,065.01	58,838,620.46
Security and insurance expenses	16,637,122.08	13,603,561.83
Advertising expenses	8,817,741.95	15,210,375.07

Water, electricity and fuel expenses	3,001,783.95	4,108,797.27
Depreciation and amortization	68,097.07	59,697.22
Other	4,434,858.43	1,461,011.88
Total	77,763,668.49	93,282,063.73

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	167,894,577.09	150,954,373.48
Depreciation and amortization	73,931,835.81	41,529,941.99
Intermediary expenses	5,181,120.84	7,648,247.31
Office expenses	5,162,481.69	4,578,803.69
Travel expenses	3,181,309.38	727,343.72
Promotion and market traders introduction expenses	174,131.61	95,739.93
Start-up fee	61,043.87	11,488,120.65
Other	12,312,567.93	9,548,797.50
Total	267,899,068.22	226,571,368.27

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	7,187,298.15	3,136,584.80
Technology R&D expenses	3,114,081.41	2,470,954.57
Depreciation and amortization	93,741.44	62,233.31
Other	129,128.20	38,274.90
Total	10,524,249.20	5,708,047.58

Other notes:

Nil

66. Financial expenses

√Applicable □Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Interest expenses	125,445,414.65	154,500,444.77
Amortization of discount on short-term commercial papers	1,974,371.03	1,969,098.85
Interest income	-38,139,798.22	-89,271,567.84
Capitalized interest	-35,577,046.98	-
Foreign exchange gains or losses	-6,265,717.17	-11,023,802.13
Amortization of unrecognized financing expenses	5,893,167.81	6,001,626.16
Other	273,509.77	716,135.64
Total	53,603,900.89	62,891,935.45

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
Subsidy for Ocean (Bay Area) Economic Development Fund	7,800,000.00	-
Employment stabilization subsidy	40,818.03	2,233,836.28
Additional deduction of input tax	4,318,534.11	2,103,468.66
Grant for the construction and operation of the credit data center	500,000.00	2,000,000.00
Yiwu Municipal Bureau of Development and Reform 2021 Special Fund for Innovation and Development Zone	-	1,800,000.00
Yiwu Municipal Bureau of Commerce 2021 Export Credit Insurance Subsidy	-	1,527,680.00
Yiwu Municipal Bureau of Commerce Business Promotion Fund Subsidy	-	1,000,000.00
Market Development Committee 2021 Local Financial Policy Incentives for Encouraging E-commerce	-	940,693.24
Interest subsidy for the international exhibition center construction fund	577,403.52	577,403.52
Additional deduction of R&D input award from Yiwu Municipal Science and Technology Bureau	-	500,800.00
Pilot Subsidy for Strong Counties in Service Industry	-	500,000.00
Science and Technology Bureau Innovation Entity Creation Award	-	500,000.00
Yiwu Municipal Bureau of Commerce Promotion and Opening Rewards	-	480,400.00
Special funds for supporting scientific and technological development	400,000.00	-
Special fund award for the development of the exhibition industry in 2023	391,800.00	-
Subsidies for Helping Tourism Enterprises Fight	-	390,000.00

Against the Epidemic and Promoting Development		
Yiwu Municipal Bureau of Commerce 3-leveis-3-refunds Rewards	-	304,461.00
Refund of the service charges of individual income tax	280,128.18	269,632.38
VAT reduction for the recruitment of retired soldiers finding jobs on their own	-	223,500.00
Other	322,852.92	1,363,373.61
Total	14,631,536.76	16,715,248.69

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	1,017,671,762.53	748,873,944.26
Investment income from disposal of long-term equity investment	11,475,509.19	-
Interest income from debt investment during holding period	1,252,476.06	-
Investment income from disposal of held-for-trading financial assets	1,763,697.53	1,822,875.64
Investment income from disposal of wealth management products	31,995.58	26,619.73
Income acquired from other non-current financial assets during the holding period	2,110,591.00	-
Investment income from disposal of other non-current financial assets	-805,917.38	-
Total	1,033,500,114.51	750,723,439.63

Other notes:

Nil

69. Income from net exposure hedging

□Applicable √Not applicable

70. Income from changes in fair value

√Applicable □Not applicable

Unit: RMB

Sources of income from changes in fair value	Amount in the current period	Amount in the previous period
Held-for-trading financial assets	2,123,980.00	-1,667,262.00
Other non-current financial assets	-9,305,911.08	-546,331.53
Total	-7,181,931.08	-2,213,593.53

Other notes:

Nil

71. Loss of impairment of credit

√Applicable □Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Bad debt loss of accounts receivable	529,746.89	-219,174.64
Loss for bad debts of other receivables	19,170.96	247,110.08
Total	548,917.85	27,935.44

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	165,883,894.78	1,389.88
Total	165,883,894.78	1,389.88

Other notes:

Applicable Not applicable

74. Revenue from non-operating activities

Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period	Amount recognized in Profits and losses of nonrecurring profits and losses for the current period
Government grants	-	200,000.00	-
Incomes from liquidated damages	2,515,430.08	1,329,393.77	2,515,430.08
Other	596,279.55	2,488,105.92	596,279.55
Total	3,111,709.63	4,017,499.69	3,111,709.63

Government grant included in current Profits and losses

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

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 Profits and losses of nonrecurring profits and losses for the current period
Total loss for disposal of non-current assets	108,245.71	56,100.78	108,245.71

Including: loss for disposal of property, plant and equipment	108,245.71	56,100.78	108,245.71
External donation	-	44,250.00	-
Other	89,722.64	329,652.83	89,722.64
Total	197,968.35	430,003.61	197,968.35

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	319,963,973.46	128,391,456.05
Deferred income tax expenses	11,673,848.56	13,888,013.12
Total	331,637,822.02	142,279,469.17

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

√Applicable □Not applicable

Unit: RMB

Item	Amount in the current period
Profits before tax	2,332,292,295.89
Income tax expenses calculated at the statutory/applicable tax rate	583,073,073.97
Impact of different tax rates applied by subsidiaries	1,991,502.97
Effect of adjusting income tax of previous period	-20,073,416.15
Effect of non-taxable income	-2,859,790.04
Effect of non-deductible costs, expenses and losses	381,320.92
Effect of using deductible losses of unrecognized deferred income tax assets in previous period	-5,845,060.38
Effect of deductible temporary differences or deductible losses of unrecognized deferred income tax assets in the current period	29,388,131.36
Profits or losses attributable to joint ventures and associates	-254,417,940.63
Income tax expenses	331,637,822.02

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	82,617,679.95	84,113,126.29
Government grants received	64,401,761.02	45,748,748.69
Bank deposit interest income received	38,139,798.22	89,271,567.84
Bank reserve received	1,930,508.43	1,532,062.05
Other	861,796.06	2,226,957.24
Total	187,951,543.68	222,892,462.11

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
Fees paid	137,806,934.75	159,441,304.15
Margins paid	115,118,650.38	184,207,298.86
Other	4,355,093.88	3,690,541.84
Total	257,280,679.01	347,339,144.85

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
Financial assistance received from joint ventures and affiliated subsidiaries	501,750,200.00	901,774,483.00
Total	501,750,200.00	901,774,483.00

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
Refund of investment to be confirmed paid	11,553,412.19	-
Financial assistance paid to the joint venture company	-	68,507,285.00
Total	11,553,412.19	68,507,285.00

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	14,105,217.90	11,970,676.79
Total	14,105,217.90	11,970,676.79

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	2,000,654,473.87	1,222,526,064.33
Loss of impairment of credit	-548,917.85	-27,935.44
Depreciation of fixed assets, depletion of oil and gas assets and depreciation of bearer biological assets	188,468,645.61	170,090,217.42
Amortization of right-of-use assets	15,937,530.77	14,089,021.32
Amortization of intangible assets	109,533,646.98	75,870,218.25
Depreciation and amortization of investment real estate	69,501,857.47	64,839,383.45
Amortization of long-term prepaid expenses	39,324,216.01	22,066,225.88
Loss from disposal of fixed assets, intangible assets and other long-term assets (gains indicated by "-")	-165,883,894.78	-1,389.88
Loss from fixed assets retirement (gains indicated by "-")	108,245.71	56,100.78
Loss from changes in fair value (gains indicated by "-")	7,181,931.08	2,213,593.53
Financial expenses (gains indicated by "-")	97,735,906.51	154,500,444.77
Investment loss (gains indicated by "-")	-1,050,919,439.23	-776,830,272.96
Decrease in deferred income tax assets (increase indicated by "-")	-1,100,746.99	10,068,696.50
Increase in deferred income tax liabilities (decrease indicated by "-")	32,842,969.56	-22,230,480.08
Decrease in inventory (increase indicated by "-")	106,993,100.52	-357,352,526.67
Decrease in operating receivables (increase indicated by "-")	-381,251,455.03	361,791,176.72
Increase in operating payables (decrease indicated by "-")	-925,330,874.43	-1,608,255,871.54
Net cash flow from operating activities	143,247,195.78	-666,587,333.62
2 · Significant investing and financing activities not involving cash receipt and payment:		
3 · Net changes in cash and cash equivalents:		
Closing balance of cash	2,164,979,668.87	3,474,333,987.64
Less: opening balance of cash	1,981,200,941.64	4,006,468,325.47
Net increase in cash and cash equivalents	183,778,727.23	-532,134,337.83

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

□Applicable √Not applicable

(3) Net cash received from disposal of subsidiaries in the current period

√Applicable □Not applicable

Unit: RMB

	Amount
Cash or cash equivalents received for disposal of subsidiaries in the current period	23,924,400.00
Bank deposits	23,924,400.00
Less: Cash and cash equivalents held by the Company on the date of loss of control	11,441,569.06
Bank deposits	11,441,569.06
Add: Cash or cash equivalents received in the current period from the disposal of the subsidiary in the previous period	-
Net cash received from disposal of subsidiaries	12,482,830.94

Other notes:

On December 19, 2022, the wholly-owned subsidiary of the Company, Yiwu China Commodities City Logistics and Warehousing Co., Ltd. (hereinafter referred to as "Logistics and Warehousing Company"), publicly listed and transferred its 60% equity of Yiwu Huanqiu Yida Logistics Co., Ltd. on the Yiwu Property Rights Exchange.

On February 2, 2023, Logistics and Warehousing Company received a public listing transfer transaction notice from the Yiwu Property Rights Exchange, and on February 3, received an equity transfer payment of RMB 23.9244 million after deducting the transaction service fee of RMB 195,600.

On February 21, 2023, Logistics and Warehousing Company signed an equity transfer agreement with Zhejiang Zhijie Yuangang International Supply Chain Technology Co., Ltd., agreeing that Logistics and Warehousing Company would transfer its held registered capital of RMB 30 million (60% of the total registered capital) of Yiwu Huanqiu Yida Logistics Co., Ltd. to Zhejiang Zhijie Yuangang International Supply Chain Technology Co., Ltd, and completed the amendment of the articles of association and industrial and commercial registration of Yiwu Huanqiu Yida Logistics Co., Ltd. on the same day.

(4) Composition of cash and cash equivalents

√Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance
I. Cash	2,164,979,668.87	1,981,200,941.64
In which: cash on hand	218,145.54	220,471.11
Bank deposit that can be used for payment at any time	2,164,704,980.28	1,980,229,200.48
Other monetary capital that can be used for payment at any time	56,543.05	751,270.05
III. Closing balance of cash and cash equivalents	2,164,979,668.87	1,981,200,941.64
Including: cash and cash equivalents with restricted use by the parent company or its subsidiaries	11,461,574.15	10,098,029.66

Other notes:

□Applicable √Not applicable

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

Names of "others" items whose closing balances in the previous year are adjusted and the amounts of adjustments:

Applicable Not applicable

81. Assets with restricted title or right of use

√Applicable □Not applicable

Unit: RMB

Item	Closing book value	Reasons for restriction
Cash and cash equivalents	11,461,574.15	[Note 2]
Inventory	8,925,585.72	[Note 3]
Long-term equity investment	102,918,559.00	[Note 4]
Other non-current financial assets	621,447,424.37	[Note 4]
Other current assets	420,922,188.51	[Note 5]
Total	1,165,675,331.75	/

Other notes:

Note 2. As of June 30, 2023, bank deposits with a book value of RMB 61.05 (December 31, 2022: RMB 60.97) were restricted for ownership or use rights due to being as security deposits for obtaining commercial housing mortgage loan. As of June 30, 2023, bank deposits with a book value of RMB 371288.89 (December 31, 2022: RMB 0.00) were used as funds for engineering supervision accounts, with restricted ownership or use rights. As of June 30, 2023, bank deposits with a book value of RMB 7,220,000.00 (December 31, 2022: RMB 7,220,000.00) were used as performance bonds for civil air defense projects under construction with restricted ownership or use rights. As of June 30, 2023, bank deposits with a book value of RMB 3,870,224.21 (December 31, 2022: RMB 2,877,968.69) were used as fast payment business risk deposits with restricted ownership or use rights.

Note 3. As of June 30, 2023, the inventory with a book value of RMB 8,925,585.72 (December 31, 2022: RMB 0.00) was judicially seized by the court due to litigation.

Note 4. As of June 30, 2023, long-term equity investments with a book value of RMB 102,918,559.00 (December 31, 2022: RMB 102,918,559.00) and other non-current assets of RMB 621,447,424.37 (December 31, 2022: RMB 621,447,424.37) were frozen by Shanghai Municipal Public Security Bureau. See Note XIV.1 Important Commitments for details.

Note 5. As of June 30, 2023, the payment business reserve fund with a book value of RMB 420,922,188.51 (December 31, 2022: 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. See Note VII.13. Other Current Assets for details.

82. Foreign currency monetary items**(1). Foreign currency monetary items**

√Applicable □Not applicable

Item	Closing balance in foreign currency	Exchange rate	Closing balance after conversation in RMB
Cash and cash equivalents	-	-	-
In which: USD	6,326,010.80	7.2258	45,710,488.83
EURO	144,750.99	7.9549	1,151,479.62
Rwandan Franc	2,123,896.00	0.0062	13,229.75
Dirham	37,176.25	1.9741	73,389.64
Koruna	6,313,352.46	0.3328	2,100,949.23
Accounts receivable	-	-	-
In which: USD	1,588,862.49	7.2258	11,480,802.58
EURO	5,895.28	7.9549	46,896.36
Koruna	14,659,511.75	0.3328	4,878,373.29
Other receivables	-	-	-
In which: USD	229,798.71	7.2258	1,660,479.51
EURO	22,338.09	7.9549	177,697.29
Koruna	17,056,711.56	0.3328	5,676,110.34
Accounts payable			
In which: USD	6,545,207.15	7.2258	47,294,357.81
Koruna	3,428,276.74	0.3328	1,140,930.50
Other payables			
In which: USD	968,501.24	7.2258	6,998,196.26
EURO	62,893.72	7.9549	500,313.25
Rwandan Franc	1,403,178.00	0.0062	8,740.40
Koruna	130,407,209.29	0.3328	43,396,741.86

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 Profits and losses for the current period
Subsidy for Ocean (Bay Area) Economic Development Fund	7,800,000.00	Other income	7,800,000.00
Additional deduction of input tax	4,318,534.11	Other income	4,318,534.11
Interest subsidy for the international exhibition center construction fund	577,403.52	Other income	577,403.52
Grant for the construction and operation of the credit data center	500,000.00	Other income	500,000.00
Special funds for supporting scientific and technological development	400,000.00	Other income	400,000.00
Special fund award for the development of the exhibition industry in 2023	391,800.00	Other income	391,800.00
Other	363,670.95	Other income	363,670.95
Total	14,351,408.58		14,351,408.58

(2). Refund of government grants

□Applicable √Not applicable

Other statements

Nil

85. Other

□Applicable √Not applicable

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

□Applicable √Not applicable

2. Mergers of the enterprises under common control

□Applicable √Not applicable

3. Reverse acquisition

□Applicable √Not applicable

4. Disposal of subsidiaries

Has the Group lost control upon a single disposal of investment in a subsidiary?

√Applicable □Not applicable

Unit: RMB

Name of subsidiary	Consideration of the equity disposal	Percentage of equity disposal (%)	Form of equity disposal	Time of loss of control	Basis for determining the time of loss of control	Difference between the consideration of the disposal and the share in the subsidiary's net assets in the consolidated financial statement corresponding to the investment disposed	Remaining shareholding ratio on the date of loss of control (%)	Book value of remaining shareholding on the date of loss of control	Fair value of remaining shareholding on the date of loss of control	Gains or losses from the remaining shareholding re-calculated by fair value	Determination of the fair value of remaining shareholding on the date of loss of control and main assumptions therefor	Amount of other comprehensive income relating to the original equity investment in the subsidiary that is recognized in investment gains or losses
Yiwu Huanqiu Yida Logistics Co., Ltd.	24,120,000.00	60	Publicly listed for transfer	February 21, 2023	The earliest date when the transfer of control is effectuated	11,475,509.21	-	-	-	-	Not applicable	-

Other notes:

√Applicable □Not applicable

On December 19, 2022, the wholly-owned subsidiary of the Company, Yiwu China Commodities City Logistics and Warehousing Co., Ltd. (hereinafter referred to as "Logistics and Warehousing Company"), publicly listed and transferred its 60% equity of Yiwu Huanqiu Yida Logistics Co., Ltd. on the Yiwu Property Rights Exchange.

On February 2, 2023, Logistics and Warehousing Company received a public listing transfer transaction notice from the Yiwu Property Rights Exchange, and on February 3, received an equity transfer payment of RMB 23.9244 million after deducting the transaction service fee of RMB 195,600.

On February 21, 2023, Logistics and Warehousing Company signed an equity transfer agreement with Zhejiang Zhijie Yuangang International Supply Chain Technology Co., Ltd., agreeing that Logistics and Warehousing Company would transfer its held registered capital of RMB 30 million (60% of the total registered capital) of Yiwu Huanqiu Yida Logistics Co., Ltd. to Zhejiang Zhijie Yuangang International Supply Chain Technology Co., Ltd, and completed the amendment of the articles of association and industrial and commercial registration of Yiwu Huanqiu Yida Logistics Co., Ltd. on the same day. After the disposal, the Company's shareholding in Yiwu Huanqiu Yida Logistics Co., Ltd. decreased from 60% to 0%. Therefore, starting from February 21, 2023, the Group will no longer include Yiwu Huanqiu Yida Logistics Co., Ltd. in the scope of consolidation.

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

6. Other

Applicable Not applicable

IX. Equity in Other Entity**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 Yuncang Enterprise Management Co., Ltd.	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	Financial Industry	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	Yiwu,	Yiwu,	Education	100		Establishment

City Commerce and Trade Service Training Center Co., Ltd.	Zhejiang	Zhejiang				
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	Commercial services	96.4		Incorporation+acquisition
European Huajie Investment Development Co., Ltd.	Prague, Czech Republic	Prague, Czech Republic	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 Xingchen Enterprise Management Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	IT		100	Establishment
Haicheng Yiwu China Commodities City Investment Development Co., Ltd.	Haicheng, Liaoning	Haicheng, Liaoning	Real estate		95	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 China Commodities City Internet Financial Information Service Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Financial Industry		100	Incorporation+acquisition
Yiwu China Commodities City RMB and Foreign Currency Exchange Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Financial Industry		100	Establishment
Hangzhou Shangbo Nanxing Property Co., Ltd.	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Real estate	100		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,	Hong Kong,	Financial Services		100	Establishment

	China	China	Industry			
Yiwu China Commodities City (Germany) Co., Ltd.	Frankfurt, Germany	Frankfurt, Germany	Service		100	Establishment
BETTER SILK ROAD FZE	Dubai, UAE	Dubai, UAE	Financial Services Industry		100	Establishment
BETTER SILK ROAD RWANDA Ltd	Kigali, Rwanda	Kigali, Rwanda	Service		100	Establishment
Huafrica (Kenya) Investment Development Co., Limited	Nairobi, Kenya	Nairobi, Kenya	Service		100	Establishment
Yiwu Zheqing Trading Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Wholesale		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 (%)	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%	5,172,636.33	-	-
Haicheng Company	5%	-2,781,021.76	-	-

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

Applicable Not applicable

Other notes:

Applicable Not applicable**(3). Major financial information of important non-wholly-owned subsidiaries**√Applicable Not applicable

Unit: RMB10,000

Name of subsidiary	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Zhejiang Yiwugou E-commerce Co., Ltd.	9,100.87	5,636.59	14,737.46	3,324.05	4.49	3,328.54	9,108.24	5,688.44	14,796.68	4,438.90	4.49	4,443.39
Haicheng Company	127,374.51	72,712.50	200,087.01	300,488.79	-	300,488.79	112,283.93	89,899.98	202,183.91	297,023.65	-	297,023.65

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.	3,171.00	1,055.64	1,055.64	751.05	2,459.03	668.17	668.17	446.46
Haicheng Company	4,257.07	-5,562.04	-5,562.04	-1,874.50	18,481.88	-3,459.65	-3,459.65	-1,159.89

Other notes:

Nil

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

Applicable Not applicable

(5). Financial support or other support provided to structured entities included in the 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	Yiwu, Zhejiang	Yiwu, Zhejiang	Real estate	49		Equity method
Yiwu Huishang Redbud Capital Management Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Service		20	Equity method
Yiwu Rongshang Property Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Real estate	49		Equity method
Yiwu Chuangcheng Property Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Real estate	24		Equity method
Yiwu Guoshen Shangbo Property Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Real estate	49		Equity method
Associate						
Yiwu Huishang Redbud Equity Investment Co., Ltd. (Note 6)	Yiwu, Zhejiang	Yiwu, Zhejiang	Commercial services		10.42	Equity method
Chouzhou Financial Lease	Hangzhou, Zhejiang	Yiwu, Zhejiang	Service	26		Equity method
Yiwu Huishang Redbud Phase II Investment Partnership (limited partnership) [Note 7]	Yiwu, Zhejiang	Yiwu, Zhejiang	Lease and business service	10.41		Equity method
Yiwu Hongyi Equity Investment Fund Partnership	Yiwu, Zhejiang	Yiwu, Zhejiang	Service		49.98	Equity method

Pujiang Lvgu Property Co., Ltd.	Pujiang, Zhejiang	Pujiang, Zhejiang	Real estate	49		Equity method
CCCP	Yiwu, Zhejiang	Yiwu, Zhejiang	Real estate	49		Equity method
Zhijie Yuangang	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 6: The Company held 10.42% (2022: 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 7: The Company held 10.41% (2022: 10.41%) 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 Property	Yiwu Chuangcheng Property	Guoshen Shangbo	Yiwu Shanglv	Yiwu Rongshang Property	Yiwu Chuangcheng Property	Guoshen Shangbo
Current assets	8,095.17	13,971.63	69,532.09	488,243.58	6,039.08	13,547.12	47,538.36	1,251,563.25
In which: cash and cash equivalents	6,756.08	49.28	37.58	10,816.27	4,316.44	198.23	540.41	88,677.29
Non-current assets	127,692.22	-	5,321.03	2,967.57	129,575.34	-	2.12	2,979.93
Total assets	135,787.39	13,971.63	74,853.12	491,211.15	135,614.42	13,547.12	47,540.48	1,254,543.18
Current liabilities	35,803.90	0.06	61,885.30	297,753.81	39,891.24	148.98	34,353.43	1,237,514.91
Non-current liabilities	11,658.11	-	-	1,571.12	11,566.36	-	1,333.17	1,571.12
Total liabilities	47,462.01	0.06	61,885.30	299,324.93	51,457.60	148.98	35,686.60	1,239,086.03
Shareholders' equity attributable to parent company	88,325.38	13,971.57	12,967.82	191,886.22	84,156.82	13,398.14	11,853.88	15,457.15
Share of net assets calculated based on shareholding ratio	43,279.44	6,846.07	3,112.28	94,024.25	41,236.84	6,565.09	2,844.93	7,574.00
Adjustments	-1,515.97	-	-	-490.00	-1,539.60	-	-	3,864.29
--Unrealized profits of internal transactions	-1,515.97	-	-	-490.00	-1,539.60	-	-	3,864.29
Book value of equity investment in joint ventures	41,763.47	6,846.07	3,112.28	93,534.25	39,697.24	6,565.09	2,844.93	7,574.01
Operating revenue	12,250.84	-	-	973,498.72	8,396.80	427,669.78	275,551.74	7,869.67
Financial expenses	529.18	-0.08	0.23	-90.79	854.71	-119.92	-28.31	-823.72
Net profits	4,168.51	0.08	-2,057.65	175,429.06	1,293.30	96,577.78	44,962.93	2,862.34
Total comprehensive income	4,168.51	0.08	-2,057.65	175,429.06	1,293.30	96,577.78	44,962.93	2,862.34
Dividends received from joint	-	-	-	-	-	58,086.56	6,000.00	-

ventures this year									
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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 Yuangang	Chouzhou Financial Lease	Hongyi Fund	CCCP	Pujiang Lvgu	Zhijie Yuangang
Current assets	86,876.29	23,132.21	1,803,818.31	126,952.96	43,916.25	77,387.24	25,476.19	1,752,170.30	121,318.40	45,894.85
Non-current assets	1,837,325.27	158,585.54	53,250.57	5,374.98	3,240.40	1,605,298.30	163,831.11	43,109.75	777.45	137.68
Total assets	1,924,201.56	181,717.75	1,857,068.88	132,327.94	47,156.65	1,682,685.54	189,307.30	1,795,280.05	122,095.85	46,032.53
Current liabilities	1,293,820.80	25.46	911,292.70	53,837.46	4,318.43	1,132,279.05	89.88	1,029,256.12	45,646.63	2,363.50
Non-current liabilities	422,157.95	-	299,965.82	3,873.03	-	362,250.51	-	147,172.22	-	-
Total liabilities	1,715,978.75	25.46	1,211,258.52	57,710.49	4,318.43	1,494,529.56	89.88	1,176,428.34	45,646.63	2,363.50
Shareholders' equity attributable to parent company	208,222.81	181,692.29	645,810.36	74,617.45	42,838.22	188,155.98	189,217.42	618,851.71	76,449.22	43,669.03
Share of net assets calculated based shareholding ratio	54,137.93	90,809.81	316,447.08	36,562.55	11,566.32	48,920.55	94,570.87	303,237.34	37,460.12	11,790.64
Adjustments	-	-14.07	-5,538.28	423.84	2,273.22	-	-6.66	-4,689.27	423.84	2,765.70
--Unrealized profits of internal transactions	-	-14.07	-5,538.28	423.84	2,273.22	-	-6.66	-4,689.27	423.84	2,765.70
Book value of equity investment in joint ventures	54,137.93	90,795.74	310,908.80	36,986.39	13,839.54	48,920.55	94,564.21	298,548.07	37,883.96	14,556.34
Operating revenue	34,574.83	-	185,257.95	1.38	9,402.91	28,545.90	743.86	171,172.95	2,172.40	-
Net profits	20,066.83	720.44	26,262.14	-1,831.78	-2,654.82	13,718.90	8,934.93	25,513.10	2,013.56	-
Total comprehensive	20,066.83	720.44	26,262.14	-1,831.78	-2,654.82	13,718.90	8,919.21	25,513.10	2,013.56	-

income										
Dividend on associates received in the current year	-	-	-		--	-	-	-	8,820.00	-

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	31,253,836.82	31,984,093.31
Total amounts of the following items calculated based on shareholding ratio		
--Net profits	-730,256.49	333,121.82
--Other comprehensive income	-	-
--Total comprehensive income	-730,256.49	333,121.82
Associates:		
Total book value of investments	452,362,311.63	489,944,751.13
Total amounts of the following items calculated based on shareholding ratio		
--Net profits	-39,298,606.17	-7,520,626.68
--Other comprehensive income	-	-
--Total comprehensive income	-39,298,606.17	-7,520,626.68

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. Other**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:

June 30, 2023

Financial assets

	Requirements for financial assets that are measured at fair value and whose changes are recorded in Profits and losses for the period	Measured at amortized cost	Measured at fair value and whose changes are included in other comprehensive income designation	Total
Cash and cash equivalents	-	2,176,441,243.02	-	2,176,441,243.02
Held-for-trading financial assets	51,610,980.66	-	-	51,610,980.66
Accounts receivable	-	150,768,192.08	-	150,768,192.08
Other receivables	-	87,930,115.50	-	87,930,115.50
Other current assets	-	422,659,667.93	-	422,659,667.93
Debt investments	-	48,066,000.00	-	48,066,000.00
Long-term receivables	-	288,037,945.91	-	288,037,945.91
Other non-current assets	-	138,253,316.00	-	138,253,316.00
Other equity instruments investment	-	-	579,474,299.94	579,474,299.94
Other non-current financial assets	1,473,122,562.94	-	-	1,473,122,562.94
	<u>1,524,733,543.60</u>	<u>3,312,156,480.44</u>	<u>579,474,299.94</u>	<u>5,416,364,323.98</u>

Financial liabilities

Short-term borrowings		1,809,722,500.02
Accounts payable		475,316,014.07
Other payables		1,615,071,971.63
Non-current liabilities due within one year		134,947,210.88
Other current liabilities		3,503,035,185.79
Long-term borrowings		648,185,725.67
Bonds payable		3,497,930,395.94
Lease liabilities		201,494,376.11
		<u>11,885,703,380.11</u>

Other financial liabilities

2022

Financial assets

	Requirements for financial assets that are measured at fair value and whose changes are recorded in Profits and losses for the period	Measured at amortized cost	Measured at fair value and whose changes are included in other comprehensive income designation	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	Other financial liabilities
Short-term borrowings	1,059,287,361.11
Accounts payable	1,191,314,404.15
Other payables	1,325,596,105.43
Non-current liabilities due within one year	86,852,293.01
Other current liabilities	3,473,907,027.00
Long-term borrowings	404,500,000.00
Bonds payable	3,497,416,819.75
Lease liabilities	<u>206,623,735.97</u>
	<u>11,245,497,746.42</u>

2. Financial instrument risk

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 June 30, 2023, 59.69% (December 31, 2022: 59.75) of the Group's debts would be due within less than one year.

The following table summarizes the analysis on the due day of financial liabilities based on non-discounted contractual cash flows:

June 30, 2023

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	1,610,000.00	14,973,000.00	1,824,277,500.00	-	-	1,840,860,500.00
Accounts payable	401,294,903.00	74,021,111.07	-	-	-	475,316,014.07
Other payables	1,157,644,420.36	-	-	457,427,551.27	-	1,615,071,971.63
Other current liabilities	492,316,702.92	1,014,054,794.52	2,032,357,808.22	-	-	3,538,729,305.66
Non-current liabilities due within one year	89,747,210.88	315,270.00	45,359,330.00	-	-	135,421,810.88
Long-term borrowings	-	4,937,646.87	14,600,568.71	384,714,522.94	397,283,135.34	801,535,873.86
Bonds payable	-	11,160,000.00	65,750,000.00	3,652,150,000.00	-	3,729,060,000.00
Total	2,142,613,237.16	1,119,461,822.46	3,982,345,206.93	4,494,292,074.21	397,283,135.34	12,135,995,476.10

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

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. As of June 30, 2023, the Company had long-term borrowings of RMB 648 million among its long-term liabilities, the interest rates of which were adjusted on an annual basis based on the benchmark loan rate on the anniversary dates. Therefore, the management believe that its risk of market interest rate change 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. 1.01% of the Group's current sales revenue (2022: 7.94%) was denominated in a currency other than the functional currency of the operating unit in which the sales occurred, while 98.99% (2022: 92.06%) 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 June 30, 2023, 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 (SSE) and the Shenzhen Stock Exchange (SZSE), 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:

	End of June 2023	Jan.-Jun. 2023 Highest/lowest	End of 2022	Year 2022 Highest/lowest
SZSE-A Share Index	2,144	2,302/2,084	2,067	2,661/1,804
SSE-A Share Index	3,357	3,584/3,267	3,238	3,827/3,001

The following table indicates the sensitivity of the Group's net Profits and losses 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.

End of June 2023

	Equity instrument investment book value	Net Profits and losses	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	579,474,299.94	-	43,460,572.50	43,460,572.50

are recognized in other comprehensive income				
Shanghai - Equity instrument investment at fair value through Profits and losses	16,431,545.00	1,232,365.88	-	1,232,365.88

2022

	Equity instrument investment book value	Net Profits and losses	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 Profits and losses	23,651,565.00	1,773,867.38	-	1,773,867.38

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. There were no changes in capital management goals, policies, or procedures in January to June 2023, as compared with those in 2022.

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	16,431,545.00	-	35,179,435.66	51,610,980.66
1. Financial assets that are measured at fair value and whose changes are included in the current Profits and losses	16,431,545.00	-	35,179,435.66	51,610,980.66
(2) Investment in equity instruments	16,431,545.00	-	-	16,431,545.00
(4) Bank wealth management products	-	-	35,179,435.66	35,179,435.66
(3) Other equity instruments investment	579,474,299.94	-	-	579,474,299.94
(vi) Other non-current financial assets	-	865,796,775.81	607,325,787.13	1,473,122,562.94
Total assets continuously measured by fair value	595,905,844.94	865,796,775.81	642,505,222.79	2,104,207,843.54

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 items measured by Level 1 fair value mainly include listed equity instruments, whose fair value is determined based on the market quotation on the last trading day in June 2023.

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 as of June 30, 2023, combined with comparable information of listed companies in the industry, using 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 June 30, 2023.

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

June 30, 2023

	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)		3,493,989,640.68		3,493,989,640.68

9. Other

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	
	June 30, 2023	2022	June 30, 2023	2022
Financial liabilities bonds payable (current part included)	<u>3,562,715,847.98</u>	<u>3,558,925,011.54</u>	<u>3,493,989,640.68</u>	<u>3,544,625,864.62</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 Holding Limited Liability Company	Yiwu, Zhejiang	Asset management	100,000	55.38	55.38

Notes on the parent company of the Company

Nil

The ultimate controller of the Company is the State-owned Assets Supervision and Administration Office of the Yiwu Municipal 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 Property Co., Ltd.	Joint venture
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
Zhijie Yuangang	Associate
Yiwu Heimahui Enterprise Service Co., Ltd.	Associate
Zhejiang YXE Supply Chain Management Co., Ltd.	Associate
Yiwu China Commodities City Trading Co., Ltd.	Associate

Other statements

Applicable Not applicable

4. Other related parties

Applicable Not applicable

Name of other related party	Relationship with the Company
SCO	Parent company of controlling

	shareholder of the Company's largest shareholder
MDG	Controlling shareholder of the Company's largest shareholder
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
Zhejiang Xingfuhu Sports Development 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
Handing Shangbo	Subsidiary of the Company's largest shareholder
Yiwu Shangbo Yungu Enterprise Management Co., Ltd.	Subsidiary of the Company's largest shareholder
Yiwu Jinyue Shangbo Property Co., Ltd.	Subsidiary of the Company's largest shareholder
Yiwu Hongtu Shangbo Property Co., Ltd.	Subsidiary of the Company's largest shareholder
Yiwu Tonghui Shangbo Property 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 limit (if applicable)	Whether it exceeds the transaction limit (if applicable)	Amount in the previous period
Yiwu China Commodities City Property Service Co., Ltd.	Property service fee and greening maintenance fee	98,212,858.68	Not applicable	Not applicable	72,002,626.73
Yiwu Security Service Co., Ltd.	Security service fee	10,038,757.30	Not applicable	Not applicable	10,543,139.42
Yiwu Shangbo Yungu Enterprise Management Co., Ltd.	Construction fee	4,913,807.45	Not applicable	Not applicable	-
Zhejiang Yemai Data Technology Co., Ltd.	Procurement and system development fees	879,922.62	Not applicable	Not applicable	-
Yiwu China Commodities City Creative Design and Development Services Co., Ltd.	Design fee	384,466.02	Not applicable	Not applicable	379,844.66
Yourworld International Conference Center Company of Yiwu Market Development Group Co., Ltd.	Procurement and meeting affair expenses	233,917.62	Not applicable	Not applicable	-
Hangzhou MicroAnts Co., Ltd.	Information service fee	86,451.00	Not applicable	Not applicable	-

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.	Product sales and system development	1,787,078.02	-
Yourworld International Conference Center Company of Yiwu Market Development Group Co., Ltd.	Product sales and washing fees	410,332.78	438,145.35
Yiwu Jinyue Shangbo Real Estate Co., Ltd	Advertising production costs	97,924.53	-
Yiwu Security Service Co., Ltd.	Meal expenses	57,390.00	-
Zhejiang YXE Supply Chain Management Co., Ltd.	Payment for goods	36,196.94	-

Yiwu Shangbo Yungu Enterprise Management Co., Ltd.	Advertising production costs	16,677.36	-
Yiwu Hongtu Shangbo Real Estate Co., Ltd	Advertising production costs	14,433.96	-
Huishang Micro-finance	Payment for goods	10,996.30	-

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	1,973,291.12

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 1,973,291.12 (January- June 2023: RMB 182,819.84)

Entrustment/contracting from 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	Confirmed in this period Rental income	Rental income recognized in the previous period
Yiwu Shanglv	Warehouse and parking lot	917,431.19	-
CCCP	Office space	494,462.28	468,572.46
Yiwu Market Development Service Center Co., Ltd.	Parking lot	320,811.73	-
Yiwu Shangbo Yungu Enterprise Management Co., Ltd.	Office space	292,115.22	-
Yiwu Meipinshu Supply Chain Management Co., Ltd.	Office space	174,028.87	-
Yiwu Huishang Redbud Capital Management Co., Ltd.	Office space	136,139.73	123,409.56
Yiwu Digital Port Technology Co., Ltd.	Office space	118,715.50	-
Yiwu China Commodities City Property Service Co., Ltd.	Office space	97,139.70	72,225.96
Huishang Micro-finance	Auxiliary buildings	81,909.41	10,171.46
Hangzhou MicroAnts Co., Ltd.	Office space	81,183.79	-
Zhijie Yuangang	Office space	74,028.00	-

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
CCCH	Warehouses	7,512,968.82	-	-	-	-	-	-	-	-	-

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	75,092,248.56	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 June 30, 2023, Yiwu Shanglv actually borrowed RMB 153.2495 million (Dec 31, 2022: RMB 193.4681 million) from banks. According to the guarantee contract, the Group assumed liability for RMB 75.0922 million (Dec 31, 2022: RMB 94.7993 million). SCO provided a counter-guarantee

(5). Related-party lending and borrowing

√Applicable □Not applicable

Unit: RMB

Related party	Amount	Starting date	Maturity date	Remarks
Borrowings				
Chengzhen Property	58,803,200.00	Jan 18, 2022		In 2022, the Group transferred a total of RMB 58,803,200.00 from Chengzhen Property, according to the shareholding ratio, at the annual interest rate of 0%. As of June 30, 2023, RMB 31,628,618.75 has been transferred back, and the remaining fund repayment date would be determined based on the funding needs of Chengzhen Property projects.
Yiwu Guoshen Shangbo Property Co., Ltd.	230,600,000.00	Dec 31, 2022		The Ggroup allocated a total of RMB 230,600,000.00 of surplus funds from Guoshen Shangbo in 2022 and a total of RMB 294,000,000.00 of surplus funds from Guoshen Shangbo in 2023.
Yiwu Guoshen Shangbo Property Co., Ltd.	294,000,000.00	June 29, 2023		The allocations were based on the share holding rate and the annual interest rates were 0%. The repayment date would be determined according to the funding needs of Guoshen Shangbo projects.
Yiwu Rongshang Property Co., Ltd.	64,418,683.00	Jun 30, 2022		The Company received a pre-dividend of RMB 64,418,683.00 from Rongshang Property in 2022, and the specific date of repayment of funds would be determined according to the distribution of dividend resolutions.
Huishang Redbud	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 Redbud	12,000,000.00	Dec 31, 2022		
Lending to				
Handing Shangbo	189,904,400.00	Dec 11, 2020		The Group provided financial assistance to Handing Shangbo totaling RMB 189,904,400.00 in 2020, and provided financial assistance to Handing Shangbo
Handing	17,845,800.00	May 11,		

Related party	Amount	Starting date	Maturity date	Remarks
Shangbo		2021		totaling RMB 17,845,800.00 in 2021, with an annual interest rate of 6%. Handing Shangbo has repaid all the funds as of June 30, 2023.
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		
JEBEL ALI FREE ZONE TRADER MARKET DEVELOPMENT AND OPERATION FZCO	41,772,885.00	May 12, 2022		

(6). **Related-party transfer of assets and restructuring of debts**

□Applicable √Not applicable

(7). **Remunerations of key officers**

√Applicable □Not applicable

Unit: RMB10,000

Item	Amount in the current period	Amount in the previous period
Remunerations of key officers	1,107.37	771.29

(8). **Other related-party transactions**

√Applicable □Not applicable

Related party entrusted loan

Unit: RMB

Unit	End of June 2023	2022
Yisha Chengdu International Trade City Co., Ltd.	48,000,000.00	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	Yourworld International Conference Center Company of Yiwu Market Development Group Co., Ltd.	632,338.41	6,279.89	168,814.20	1,676.53
Accounts receivable	Tonghui Shangbo	-	-	6,200,000.00	61,573.54
Total		632,338.41	6,279.89	6,368,814.20	63,250.07
Other receivables	Yiwu Shanglv	1,000,000.00	-	-	-
Other receivables	MDG	263,142.11	-	-	-
Other receivables	Yiwu China Commodities City Property Service Co., Ltd.	5,497.57	-	-	-
Other receivables	Hangzhou MicroAnts Co., Ltd.	1,985.00	-	1,288.00	-
Other receivables	Yiwu Huishang Redbud Capital Management Co., Ltd.	1,421.00	-	-	-
Other receivables	Zhejiang Xingfuhu Sports Development Co., Ltd.	811.00	-	-	-
Other receivables	Handing Shangbo	-	-	207,750,200.00	-
Other receivables	Tonghui Shangbo	-	-	116,036,742.09	-
Other receivables	Yiwu Gongchen Shangbo Property Co., Ltd.	-	-	562,755.00	-
Total		1,272,856.68	-	324,350,985.09	-
Long-term receivables	JEBEL ALI FREE ZONE TRADER MARKET DEVELOPMENT AND OPERATION FZCO	244,035,954.02	-	233,127,115.20	-
Long-term receivables	Yiwu Shanglv	36,750,000.00	-	36,750,000.00	-
Total		280,785,954.02	-	269,877,115.20	-

(2). Payables

√Applicable □Not applicable

Unit: RMB

Item	Related party	Closing book balance	Opening book balance
Accounts payable	Yiwu Digital Port Technology Co., Ltd.	3,384,348.68	-
Accounts payable	Yiwu China Commodities City Property Service Co., Ltd.	2,803,038.96	6,653,942.97
Accounts payable	Zhejiang Yemai Data Technology Co., Ltd.	132,008.28	713,020.54
Accounts	Yiwu Gongchen Shangbo Property Co., Ltd.	12,829.45	-

payable			
Accounts payable	Yiwu Agriculture Development Co., Ltd.	-	1,791,720.12
Accounts payable	Yiwu Security Service Co., Ltd.	-	919,817.45
Total		6,332,225.37	10,078,501.08
Advance from customers	Yiwu Shangbo Yungu Enterprise Management Co., Ltd.	1,460,576.03	-
Advance from customers	Yiwu Shanglv	879,204.89	-
Advance from customers	Yiwu China Commodities City Property Service Co., Ltd.	798,003.82	-
Advance from customers	MDG	710,377.35	-
Advance from customers	CCCP	329,641.51	583,018.86
Advance from customers	Yiwu Huishang Redbud Capital Management Co., Ltd.	226,899.53	-
Advance from customers	Zhijie Yuangang	216,312.34	-
Advance from customers	Yiwu Meipinshu Supply Chain Management Co., Ltd.	40,688.61	-
Advance from customers	Yiwu Digital Port Technology Co., Ltd.	39,235.28	-
Advance from customers	Hangzhou MicroAnts Co., Ltd.	32,430.42	-
Total		4,733,369.78	583,018.86
Contract liabilities	Yiwu China Commodities City Property Service Co., Ltd.	118,646.57	94,027.70
Contract liabilities	Yiwu Digital Port Technology Co., Ltd.	52,808.83	35,519.71
Contract liabilities	Huishang Micro-finance	25,943.40	11,792.46
Contract liabilities	Yiwu Shangbo Yungu Enterprise Management Co., Ltd.	5,581.64	-
Contract liabilities	Zhejiang Yiwu Rural Economic Development Co., Ltd.	-	84,905.66
Contract liabilities	Yiwu Security Service Co., Ltd.	-	974.76
Total		202,980.44	227,220.29
Other payables	Yiwu Guoshen Shangbo Property Co., Ltd.	524,600,000.00	230,600,000.00
Other payables	Yiwu Rongshang Property Co., Ltd.	64,418,683.00	64,418,683.00
Other payables	Yiwu Chengzhen Property Co., Ltd.	27,174,581.25	58,803,200.00
Other payables	Yiwu Huishang Redbud Equity Investment Co., Ltd.	16,500,000.00	16,500,000.00
Other payables	Zhijie Yuangang	322,800.00	150,000.00
Other payables	Yourworld International Conference Center Company of Yiwu Market Development Group Co., Ltd.	307,465.55	78,908.97
Other payables	CCCP	240,000.00	-
Other payables	Yiwu Shangbo Yungu Enterprise Management Co., Ltd.	200,000.00	200,000.00
Other payables	Zhejiang Yemai Data Technology Co., Ltd.	152,928.50	21,328.50
Other payables	Yiwu Meipinshu Supply Chain Management Co., Ltd.	103,912.00	57,000.00
Other payables	Yiwu Heimahui Enterprise Service Co., Ltd.	100,000.00	100,000.00
Other payables	Hangzhou MicroAnts Co., Ltd.	26,000.00	26,000.00
Other payables	Yiwu Digital Port Technology Co., Ltd.	25,000.00	-

Other payables	Yiwu China Commodities City Trading Co., Ltd.	2,500.00	2,500.00
Other payables	CCCCP	-	240,000.00
Other payables	Yiwu Shanglv	-	108,333.33
Other payables	Yiwu Security Service Co., Ltd.	-	14,740.00
Total		634,173,870.30	371,320,693.80

7. Related-party commitments

Applicable Not applicable

8. Other

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	13,173,600.00
The total amount of the Company's equity instruments that have lapsed during the current period	-
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	Not applicable
Cumulative amount of equity-settled share-based payments included in the capital reserve	71,248,170.59
Total amount of expenses recognized by equity-settled share payments in the current period	7,542,361.95

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.

According to the equity incentive proposal and the completion status of the assessment indicators, the first period for lifting the restrictions on the restricted stock incentive plan granted by the Company in 2020 expired on January 13, 2023, and the corresponding conditions for lifting the restrictions have been met. The total number of restricted stocks that can be lifted this time was 13.1736 million shares, which were listed for circulation on January 13, 2023.

3. Share-based payment settled with cash

Applicable Not applicable

4. Modification and termination of share-based payment

Applicable Not applicable

5. Other

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	June 30, 2023	2022
Signed but not provided	2,538,748,600.60	3,451,663,094.71

Investment commitments:

In 2017, the Group's wholly-owned subsidiary Yiwu China Commodities City Financial Holdings Co., Ltd. ("CCCF") 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"). CCCF subscribed for capital contribution of RMB998million in the FoF as a limited partner, accounting for 49.9% of the total capital contribution, and has paid in RMB102.92million. The unpaid portion of its subscribed capital contribution was promised to be RMB895.08million and was not subject to a term. CCCF also made capital contribution of RMB9.8million (49% equity) to Yiwu China Commodities City Investment and Management Co., Ltd. (hereinafter referred to as the "CCCIM"), which was a general partner of the above FoF and sub-funds. Fuxing made capital contribution of 51% to and had control over CCCIM.

Shangfu Chuangzhi Fund raised funds of RMB823.36million in total. The FoF has subscribed for and paid in capital contribution of RMB205.84million as a limited partner (including the above RMB102.92million from CCCIM and the rest was contributed by Fuxing, the other limited partner of the FoF). As the other limited partner of Shangfu Chuangzhi Fund, CCCF has separately subscribed for and paid in capital contribution of RMB617.51million. In addition, neither the Group nor CCCF have invested in other sub-funds of the FoF. Subsequently, Shangfu Chuangzhi Fund made capital contribution of RMB820.54million to subscribe for the increase in the registered capital of Hubei Provincial Asset Management Co., Ltd. to acquire 22.667% equity therein. By 2019, 9 out of the above 12 sub-funds had been deregistered.

In 2018, CCCF learned during its after-investment follow-up management that Fuxing and its actual controller ZHU Yidong were suspected of having committed a criminal offense and the 22.667% equity held by Shangfu Chuangzhi Fund in Hubei Provincial Asset Management Co., Ltd. was frozen by the Public Security Bureau of Shanghai for a term from Sep 6, 2018 to Sep 6, 2019 due to Fuxing's contribution in the sources of the capital contribution. As of the 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, CCCF, FoF and its sub-funds.

In addition, as of June 30, 2023, the Group had other investment commitments totaling RMB 289.15 million (December 31, 2022: RMB 282.61 million).

2. Contingencies**(1). Important contingencies on the balance sheet dates**√Applicable Not applicable

Unit: RMB

Item	June 30, 2023	2022
Contingent liabilities resulting from the guarantee provided externally	79,830,082.22	99,645,681.29

According to relevant regulations, before the purchaser of the commercial housing sold by the Group has obtained the property certificate, the Group shall provide the purchaser with a bank mortgage guarantee. As of June 30, 2023, the unsettled guarantee amount was RMB 4,737,833.66 (December 31, 2023: RMB 4,846,333.64). 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 June 30, 2023, Yiwu Shanglv actually borrowed RMB 153,249,486.86 (December 31, 2022: RMB 193,468,056.42) from the bank in total. According to the agreement of the guarantee contract, it assumed the guarantee liability of RMB 75,092,248.56 (December 31, 2022: RMB 94,799,347.65) 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. Other

Applicable Not applicable

XV. Post-balance sheet date events

1. Important non-adjusting events

Applicable Not applicable

2. Profit distribution

Applicable Not applicable

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). Future applicable method

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	1,801	2,838	140	98	284	-	5,161
Revenue from inter-division transactions	32	3	19	6	14	74	-
Profits before tax	2,360	-26	-69	30	52	15	2,332
Total assets	42,647	1,309	1,372	193	10,135	22,237	33,419
Total liabilities	25,179	1,193	1,440	77	4,328	15,830	16,387
Capital expenditures	852	-	3	-	404	-	1,259
Long-term equity investment in joint ventures and associates	5,765	1	-	-	1,237	-	7,003

(3). If the Company does not have reporting divisions or is unable to disclose the total assets and total liabilities of each division, please explain

Applicable Not applicable

(4). Other statements

Applicable Not applicable

7. Other important transactions and events that have influence on investors' decisions

Applicable Not applicable

8. Other

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	16,709,047.03
Subtotal within 1 year	16,709,047.04
1 to 2 years	1,326,930.84
2 to 3 years	80,451.00
Over 3 years	100,234.00
Total	18,216,662.87

(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	18,216,662.87	100.00	437,210.87	2.40	17,779,452.00	22,449,888.75	100.00	417,498.04	1.86	22,032,390.71
Among them:										
Accounts receivable for which the bad debts are provided by combination of credit risk characteristics	18,216,662.87	100.00	437,210.87	2.40	17,779,452.00	22,449,888.75	100.00	417,498.04	1.86	22,032,390.71
Total	18,216,662.87	/	437,210.87	/	17,779,452.00	22,449,888.75	/	417,498.04	/	22,032,390.71

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

Combined provision items: accounts receivable with provision for bad debts based on credit risk characteristics

Unit: RMB

Name	Closing balance		
	Accounts	Bad debt	Provision ratio

	receivable	provision	(%)
Accounts receivable for which the bad debts are provided by combination of credit risk characteristics	18,216,662.87	437,210.87	2.40
Total	18,216,662.87	437,210.87	2.40

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	End of June 2023		
	Estimated book balance in default	Expected credit loss rate (%)	Expected credit loss in whole duration
Within 1 year	16,709,047.03	1.85	308,475.64
1 - 2 years	1,326,930.84	1.76	23,296.16
2 -3 years	80,451.00	6.47	5,205.07
Over 3 years	100,234.00	100.00	100,234.00
Total	18,216,662.87		437,210.87

(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	417,498.04	19,712.83	-	437,210.87
Total	417,498.04	19,712.83	-	437,210.87

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

(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
Other receivables	26,842,202.39	329,607,469.39
Total	26,842,202.39	329,607,469.39

Other notes:

Applicable Not applicable**Interest receivable****(1). Classification of interest receivable**Applicable Not applicable**(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	25,541,878.05
Subtotal within 1 year	25,541,878.05
1 to 2 years	455,188.81
2 to 3 years	530,616.12
Over 3 years	1,081,535.34
Bad debt provision for other receivables	-767,015.93
Total	26,842,202.39

(2). Categorization by nature√Applicable Not applicable

Unit: RMB

Nature of receivable	Closing book balance	Opening book balance
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Withholdings, deposit and margin	26,248,598.35	5,772,216.82
Reserve	593,604.04	48,340.48
Financial assistance receivable from joint ventures	-	323,786,912.09
Total	26,842,202.39	329,607,469.39

(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 of January 1, 2023	787,922.23			787,922.23
Balance as of January 1, 2023 in the current period				
Provision made in the current period	26,171.70			26,171.70
Current reversal	47,078.00			47,078.00
Balance as of June 30, 2023	767,015.93			767,015.93

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	
Bad debt provision for other receivables	787,922.23	26,171.70	47,078.00	767,015.93
Total	787,922.23	26,171.70	47,078.00	767,015.93

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

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 China Commodities City Information Technology Co., Ltd.	Current accounts	13,404,904.46	Within 1 year	48.55	-
Zhejiang Yindu Hotel Management Co., Ltd.	Current accounts	2,702,775.72	Within 1 year	9.79	-
Zhejiang China Commodities City Group Co., Ltd. Jingyue Dafan Homestay	Current accounts	1,083,708.32	Within 1 year	3.93	-
Yiwu Shanglv Investment Development Co., Ltd.	Current accounts	1,000,000.00	Within 1 year	3.62	-
Yiwu Power Transmission and Transformation Engineering Co., Ltd.	Current accounts	670,487.00	Within 1 year	2.43	-
Total	/	18,861,875.50	/	68.32	-

(7). Receivables involving government grants

□Applicable √Not applicable

(8). Other receivables derecognized due to transfer of financial assets

□Applicable √Not applicable

(9). Amounts of assets and liabilities formed by the transfer of other receivables and continuing involvement

□Applicable √Not applicable

Other notes:

□Applicable √Not applicable

3. Long-term equity investment

√Applicable □Not applicable

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment in subsidiaries	4,504,806,448.14	-	4,504,806,448.14	4,980,206,448.14	570,000,000.00	4,410,206,448.14
Investment in associates and joint ventures	5,841,099,515.98	-	5,841,099,515.98	4,800,215,865.20	-	4,800,215,865.20
Total	10,345,905,964.12	-	10,345,905,964.12	9,780,422,313.34	570,000,000.00	9,210,422,313.34

(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.	2,239,426,242.40	-	-	2,239,426,242.40	-	-
Zhejiang Xunchi Digital Technology Co., Ltd.	444,368,982.89	-	-	444,368,982.89	-	-
Yiwu Shangbo Yuncang Enterprise Management Co., Ltd.	300,000,000.00	-	-	300,000,000.00	-	-
Yiwu Shangbo Shuzhi Enterprise Management Co., Ltd.	225,600,000.00	74,400,000.00	-	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.	120,059,576.13	-	-	120,059,576.13	-	-
Yiwu China Commodities City Big Data Co., Ltd.	102,984,635.63	1,277,386.09	-	104,262,021.72	-	-
Yiwu China Commodities City Import and	102,334,012.67	-	-	102,334,012.67	-	-

Export Co., Ltd.						
Yiwu China Commodities City Supply Chain Management Co., Ltd.	101,265,319.13	-	-	101,265,319.13	-	-
Yiwu China Commodities City Overseas Investment and Development Co., Ltd.	101,540,253.96	-	-	101,540,253.96	-	-
Yiwu China Commodities City Tourism Development Co., Ltd.	100,977,959.14	-	-	100,977,959.14	-	-
Yiwu China Commodities City Logistics and Distribution Co., Ltd.	101,931,157.09	-	-	101,931,157.09	-	-
Zhejiang Huajie Investment and Development Co., Ltd.	74,423,097.53	3,300,000.00	-	77,723,097.53	-	-
Yiwu Comprehensive Bonded Zone Operation and Management Co., Ltd.	36,668,690.36	17,500,000.00	-	54,168,690.36	-	-
Yiwu China Commodities City Information Technology Co., Ltd.	50,965,115.90	-	-	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.	19,666,060.90	-	-	19,666,060.90	-	-
Yiwu China Commodities City Assets Operation and Management Co., Ltd.	11,375,213.90	-	-	11,375,213.90	-	-
Zhejiang Yindu Hotel Management Co., Ltd.	13,534,551.93	-	-	13,534,551.93	-	-
Yiwu China Commodities City Research Institute Co., Ltd.	11,208,192.49	-	-	11,208,192.49	-	-
Haicheng Yiwu China Commodities City Investment Development Co., Ltd.	571,277,386.09	-	571,277,386.09	-	-	-
Yiwu China Commodities City Commerce and Trade Service Training Center Co., Ltd.	600,000.00	-	600,000.00	-	-	-
Total	4,980,206,448.14	96,477,386.09	571,877,386.09	4,504,806,448.14	-	-

(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 gains or losses recognized with the equity method	Impairment provision		
1. Joint ventures							
Yiwu Shanglv	396,972,448.93	-	-	20,662,266.60	-	417,634,715.53	-
Yiwu Rongshang Property Co., Ltd.	65,650,902.46	-	-	2,809,806.79	-	68,460,709.25	-
Yiwu Chuangcheng Property Co., Ltd.	28,449,292.72	-	-	2,673,475.72	-	31,122,768.44	-
Yiwu Guoshen Shangbo Property Co., Ltd.	75,740,065.56	-	-	859,602,411.13	-	935,342,476.69	-
Other	25,064,023.73	-	-	-1,077,279.54	-	23,986,744.19	-
Sub-total	591,876,733.40	-	-	884,670,680.70	-	1,476,547,414.10	-
2. Associates							
Huishang Micro-finance	78,209,979.82	-	-	1,067,437.11	-	79,277,416.93	-
Chouzhou Financial Lease	489,205,549.91	-	-	52,173,749.11	-	541,379,299.02	-
Pujiang Lvgu Property Co., Ltd.	374,601,160.67	-	-	-8,975,700.27	-	365,625,460.40	-
CCCP	2,984,810,019.41	-	-	123,607,288.99	-	3,108,417,308.40	-
Zhijie Yuangang	145,563,439.33	-	-	-7,168,026.16	-	138,395,413.17	-
Other	135,948,982.66	-	-	-4,491,778.70	-	131,457,203.96	-
Sub-total	4,208,339,131.80	-	-	156,212,970.08	-	4,364,552,101.88	-
Total	4,800,215,865.20	-	-	1,040,883,650.78	-	5,841,099,515.98	-

Other notes:

□Applicable √Not applicable

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	1,778,783,417.92	476,160,908.86	1,286,870,280.06	399,897,158.60
Other businesses	144,750,859.24	48,992,546.57	149,950,265.32	44,272,476.43
Total	1,923,534,277.16	525,153,455.43	1,436,820,545.38	444,169,635.03

(2). Incomes from contracts

√Applicable □Not applicable

Unit: RMB

Classified by type of contract	Total
Types of goods	
The use of shops in Yiwu Market and its supporting services	1,670,027,970.13
Hotel accommodation and catering services	124,274,970.80
Revenue from use fees	5,806,042.94
Other services	203,372.73
Classified by business area	
Chinese mainland	1,800,312,356.60
Classified by contract period	
Revenue confirmed at certain time point	
Hotel catering services	68,526,860.48
Other services	138,903.39
Revenue confirmed during certain time period	
The use of shops in Yiwu Market and its supporting services	1,670,027,970.13
Hotel accommodation services	55,748,110.32
Revenue from use fees	5,806,042.94
Other services	64,469.34
Total	1,800,312,356.60

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 Yiwu Market and its supporting services	1,616,326,980.74
Hotel accommodation service	7,275,513.89
Other services	64,469.34
Total	1,623,666,963.97

(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 Yiwu Market and its supporting services

The contractual performance obligation is fulfilled when providing the use of shops in Yiwu Market and the supporting services for business. For the use of shops in Yiwu Market 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 Yiwu Market 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:

On June 30, 2023, the transaction price allocated to the remaining performance obligations was RMB 2,213,236,702.02. 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 calculated with the equity method	1,040,883,650.78	753,179,755.40
Investment income from disposal of long-term equity investment	1,296,480.56	883,324.49
Investment income from disposal of held-for-trading financial assets	13,602.55	29,078.03
Return on investment during investment holding period of other non-current financial assets	2,110,591.00	-
Total	1,044,304,324.89	754,092,157.92

Other notes:

Nil

6. OtherApplicable Not applicable

XVIII. Supplements**1. Detailed statement of current non-recurring profits and losses**

√Applicable □Not applicable

Unit: RMB

Item	Amount	Remarks
Profits and losses from the disposal of non-current assets	177,251,158.26	
Government grants that are recognized in the current Profits and losses, 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	14,351,408.58	
Cash occupation fees charged from non-financial enterprises that are recognized in the current Profits and losses	17,419,324.72	
Profits and 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	-6,192,155.35	
Profits and losses arising from external entrusted loans	1,252,476.06	
Net income from other non-operating activities	3,021,986.99	
Less: effect of income tax	47,508,712.07	
Effect of minority interest (after-tax)	627,665.12	
Total	158,967,822.07	

Explanations shall be made for the non-recurring profits and losses identified by the Company according to the Explanatory Announcement No. 1 on Information Disclosure by Companies Publicly Offering Securities – Non-recurring profits and losses, and for the Company identifying the non-recurring profits and losses enumerated in the Explanatory Announcement No. 1 on Information Disclosure by Companies Publicly Offering Securities – Non-recurring profits and losses as recurring profits and losses.

□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	12.30	0.37	0.37
Net profits attributable to common shareholders of the Company after deducting non-recurring gains and losses	11.32	0.34	0.34

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

□Applicable √Not applicable

4. Other

□Applicable √Not applicable

Chairman of Board Of Directors: ZHAO Wenge

Date of approving by the board of directors for release: August 19, 2023

Amendment

Applicable Not applicable