

Company Code: 600415

Stock Short Name: 小商品城

**Zhejiang China Commodities City Group
Co., Ltd.
Semi-annual Report for 2022**

Important Note

- I. The Board of Directors, the Board of Supervisors and the directors, supervisors and senior management of the Company hereby warrant the truthfulness, accuracy and completeness of the contents of the Semi-annual Report, guarantee that there are no false representations, misleading statements or material omissions contained in this Semi-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, Head in charge of accounting, and ZHAO Difang, Head of Accounting Department (Accounting Supervisor) 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 its affiliates for non-operational purposes?

No

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

No

IX. Whether 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. Others

Applicable Not applicable

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Documents for Inspection	Accounting statements with the signatures and stamps of the person incharge of the Company, person in charge of accounting and person in charge of the accounting department.
	Resolutions of the 52 th Meeting of the 8th Board of Directors, resolutions of the 15 th Meeting of the 8th Board of Supervisors
	Written confirmation opinions of directors, supervisors and senior management on the Company's 2022 Semi-annual Report and Summary

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
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.
Pujiang Lvgu	means	Pujiang Lvgu Property Co., Ltd.
Handing Shangbo	means	Yiwu Handing Shangbo Real Estate Co., Ltd.
Huangyuan Shangbo	means	Yiwu Huangyuan Shangbo Property Co., Ltd.
Yiwu Rongshang Property	means	Yiwu Rongshang Property Co., Ltd.
Yiwu Chuangcheng Property	means	Yiwu Chuangcheng Property Co., Ltd.
Chengzhen Property	means	Yiwu Chengzhen Property Co., Ltd.
Tonghui Shangbo	means	Yiwu Tonghui Shangbo Real Estate Co., Ltd.
The Company, the Listed Company or the Group	means	Zhejiang China Commodities City Group Co., Ltd.

Section II. Company Profile and Financial Highlights

I. Company profile

Chinese name	浙江中国小商品城集团股份有限公司
Chinese short name	小商品城
English name	Zhejiang China Commodities City Group Co.,Ltd
English short name	YIWU CCC
Legal representative	ZHAO Wenge

II. Contact information

	Board Secretary	Securities Affairs Representative
Name	XU Hang	RAO Yangjin
Address	Haiyang Business Building, No.105 Futian Road, Yiwu	Haiyang Business Building, No.105 Futian Road, Yiwu
Telephone	0579-85182812	0579-85182812
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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.cccgroup.com.cn
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. Major accounting data and financial indicators of the Company**(i) Major accounting data**

Unit: RMB

Major accounting data	Current reporting period (Jan-Jun 2022)	Jan-Jun 2021	Increase/decrease during the reporting period over the same period of the previous year (%)
Operating revenue	4,207,027,616.46	2,072,627,727.00	102.98
Net profits attributable to shareholders of the Listed Company	1,222,205,978.81	850,514,460.93	43.70
Net profits attributable to shareholders of the Listed Company with non-recurring items excluded	1,181,715,806.64	804,980,899.44	46.80
Net cash flow from operating activities	-666,587,333.62	166,735,824.75	-499.79
	As of the end of the current reporting period	As of the end of 2021	Increase/decrease at the end of the reporting period over the end of the previous year (%)
Net assets attributable to shareholders of the Listed Company	15,381,084,979.34	14,610,845,868.33	5.27
Total assets	30,206,562,945.71	31,014,635,513.35	-2.61

(ii) Major financial indicators

Major financial indicators	Current reporting period (Jan-Jun 2022)	Jan-Jun 2021	Increase/decrease during the reporting period over the same period of the previous year (%)
Basic EPS (RMB)	0.22	0.16	37.50
Diluted EPS (RMB)	0.22	0.15	46.67
Basic EPS after deducting non-recurring gains and losses (RMB/share)	0.22	0.15	46.67
Weighted average ROE (%)	8.05	6.09	Up 1.96 ppt
Weighted average ROE after deducting non-recurring gains and losses (%)	7.78	5.77	Up 2.01 ppt

Illustration on major accounting data and financial indicators

Applicable Not applicable

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

Applicable Not applicable

IX. Non-recurring items and amounts thereof

Applicable Not applicable

Unit: RMB

Non-recurring items	Amount	Remarks (if applicable)
Gain or loss from the disposal of non-current assets	-54,710.90	
Government grants that are recognized in the current profit or loss, excluding the government grants that are closely related to the normal operation of the Company and are provided in a fixed amount or quantity continuously according to the national policies and certain standards	16,645,616.31	Please refer to details of other income and government grants accounted for profit or loss for the current period
Cash occupation fees charged from non-financial enterprises that are recognized in the current profit or loss	32,264,049.60	Cash occupation fee for receiving financial aid
Gain or loss from changes in fair value of held-for-trading financial assets, derivative financial assets, financial liabilities held for trading and derivative financial liabilities, and investment income from the disposal of held-for-trading financial assets, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt instruments, except for effective hedging during the ordinary course of business	-390,717.89	Investment income from disposal of financial assets held for trading, and gains and losses from changes in fair value of financial assets held for trading
Net income from other non-operating activities	3,443,596.86	Mainly confiscated deposits, collected liquidated damages and other similar items
Other profit and loss items that meet the definition of non-recurring profit and loss	26,619.73	
Less: effect of income tax	10,410,076.49	
Effect of minority interest (after-tax)	1,034,205.05	
Total	40,490,172.17	

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

Applicable Not applicable

X. Others

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) Description of the industry to which the Company belongs

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

1. Industry policy

The "Opinions of the Central Committee of the Communist Party of China and the State Council on Accelerating the Construction of a Large National Market" (hereinafter referred to as the "Opinions") was released in April 2022. The "Opinions" provide an action plan for the construction of a large national market in the future. It is mentioned in the "Opinions" that it is necessary to optimize the layout of commercial and trade circulation infrastructure, accelerate digital construction, promote the integrated development of online and offline, and form more new platforms, new formats and new models of commercial and trade circulation. It is mentioned in the "Opinions" that vigorously develop third-party logistics, support the construction of digital third-party logistics delivery platforms, promote innovation in technology and business models in the third-party logistics industry, cultivate a group of digital platform companies and supply chain companies with global influence, and promote cost reduction and efficiency in logistics across society.

2. Yiwu Market

As an "important window" for import and export trade, Yiwu achieved a total import and export volume of RMB 222.25 billion yuan in the first half of the year, up 32.8% YoY; of which exports were RMB 202.95 billion yuan, up 28.3% YoY; imports were RMB 19.30 billion yuan, up 109.5% YoY.

Yiwu's express delivery business continues to be at the forefront of the country, and is known as the "wind vane" of the national express delivery business. In the first half of the year, the business income of the postal industry in Yiwu City (excluding the direct operating income of the Postal Savings Bank) reached a total of RMB 13.11 billion yuan, up 14.3% YoY; the business volume of Yiwu express service enterprises reached a total of 4.245 billion pieces, and the business income reached a total of RMB 12.2 billion yuan, up 11.3% YoY.

(ii) Description of main business

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. Main Business

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

2. Business Model

(1) Market operation

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

(2) Online trading platform

Relying on the Company's market resources of 75,000 off-line shops, Yiwu market official website "chinagoods" platform (www.chinagoods.com, referred to as "chinagoods platform") provides service for over 2 million micro, small, and medium enterprises in the upper reaches of the industry chain. With trade data integration as the core driver, it meets the needs of both supply and demand parties in manufacturing, display transactions, warehousing and logistics, financial credit, market management and other links to achieve effective and accurate allocation of market resources, and build a true, open, and integrated digital trade comprehensive service platform.

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 into 26 categories and supports one-stop purchase. The market boasts enormous resources and huge business flow, goods flow, cash flow and information flow.

(ii) Brand advantages

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

(iii) Auxiliary services advantages

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

1. Convenient logistics system

Yiwu has in place perfect commerce and trade auxiliary facilities and advantageous logistics service. The logistics network has full coverage in Yiwu. A large number of large-sized international and domestic express delivery and logistics companies have regional distribution centers in Yiwu, and a world-oriented goods transport and distribution network has been established. Yiwu has complete commercial and trade supporting facilities, and has significant advantages in logistics and distribution service clusters. It vigorously builds a "new eight routes" logistics system consisting of highways, railways, sea routes, air routes, postal routes, Internet, Yixinou and Yiyongzhou. 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.

2. Industry support

Yiwu City has planned and developed two industrial zones in the northeast and southwest, covering an area of 100 square kilometers each, led by foreign investment zones, according to its location advantages and industry layout characteristics. The northeastern industrial zone of Yiwu focuses on the development of high-tech and advantageous industries such as export product processing, clothing, knitting, and printing; the southwestern industrial zone of Yiwu has been built into an internationally competitive modernization, International manufacturing base.

In recent years, thanks to the Yiwu China Commodities City, the Yiwu-centered manufacturing industry cluster has been developing fast, an commodities industrial belt that covers Jinhua, Lishui, Quzhou, Hangzhou, Jiaxing, Huzhou, Shaoxing, Ningbo, Wenzhou and Taizhou with an area of nearly 10,000 km² has been established, and it has magnified Yiwu Market's advantages and continued to create values for circulation of small commodities.

3. Development of 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 digital market

The Company's International Trade City is the world's leading small commodity entity market. The "Yiwu Small Commodities City" platform (www.chinagoods.com), as the official website of Yiwu Market, was officially launched in October 2020. The platform builds a framework system of "market entities + business platforms + service platforms + infrastructure", builds a full-link, full-scenario, digital market and trade ecosystem, demonstrates "a platform on the cloud, a network on the ground", and jointly promotes the in-depth development of the market trade system of "online and

offline integration, import and export linkage, communication between domestic and overseas market, and simultaneous development of domestic and foreign trade". In the context of the era of common prosperity, it serves the domestic and international dual circulation.

(v) 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.

(vi) 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 well-established 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.

III. Discussion and analysis of operation status

2022 is the year of the 20th National Congress of the Communist Party of China, a key year for the implementation of the "14th Five-Year Plan", and the 40th anniversary of Yiwu Market. In the first half of the year, facing the challenges of repeated global outbreaks of Covid-19, geopolitical conflicts, rising raw material and logistics costs, and accelerated onlineization of traditional foreign trade forms, the Company focused on the strategic goal of an integrated service provider for international trade, and under the framework of a unified national market, the Company coordinated the prevention of the Covid-19 pandemic and promotion of transformation development, to break through the physical limitations of traditional business with digital reform, consolidate and enhance the core competitiveness of the Market.

In the first half of 2022, the total import and export volume of Yiwu City was RMB 222.25 billion yuan, up 32.8% YoY. Among them, exports were RMB 202.95 billion yuan, up 28.3% YoY. Imports were RMB 19.30 billion yuan, up 109.5% YoY. Market procurement trade was still the main force driving the growth of Yiwu's export share. In terms of region, the total import and export volume to North America and the EU increased by more than 70% YoY, and the growth rate of the total import and export volume to East Asia such as South Korea increased by over 150%. The shift to small-town and rural markets in some regions and the signing of the RCEP agreement have brought new opportunities to the Yiwu Market.

During the reporting period, the Company's operating income was RMB 4.207 billion, up 102.98% YoY, and the net profit attributable to shareholders of the Listed Company was RMB 1.222 billion, up 43.70% YoY.

(i) Market operation

1. Overview of market operation

During the reporting period, the Company effectively carried out Covid-19 pandemic prevention and control work, and took multiple measures to continue to stimulate market vitality. The occupancy rate of booths remained above 96%. From January to June, the market turnover was RMB 99.967 billion, up 3.71% YoY.

2. Expansion of the domestic markets

In the first half of the year, the construction of the domestic markets progressed in an orderly manner. The Company's Yiwu International Trade City Second District East Market has completed the project construction and business location at the end of June. At present, investment promotion work has started. The Second District East Market has a construction area of about 132,000 square meters. It is adjacent to the International Trade City Station of light rail lines. The area of an individual shop has been increased, making it easier to display diversified products in an all-round way. As a model of the sixth-generation market in Yiwu, the East Market of the Second District has implanted a series of digital applications, such as AI cameras, interactive screens, etc., to provide intelligent services such as AI interaction; it improves the efficiency of product selection and procurement by using applets and contact points in the market, and use efficiency to measure the level of market digital services and iterating digital technology.

3. Overseas market expansion

Dubai Yiwu China Commodities City (hereinafter referred to as Dubai Market) was officially opened as of the end of June, with an overall occupancy rate of nearly 99%. It takes a 15-minute drive from Maktoum Airport and Jebel Ali Port, one of the largest ports in the Middle East, to the Dubai Market, effectively radiating the consumer market of nearly 1 billion people around (the Middle East, North Africa, Europe, etc.). The Dubai Market is the first overseas submarket in the Company's "global strategy", and it is also one of the important measures for the Company to integrate into the new development pattern of domestic and international dual circulation.

Dubai is the "Gateway to the Middle East" and the largest trade distribution center for Made-in-Yiwu commodities in the Middle East. The Dubai Market has broken through the limitation of time and space, which is equivalent to moving the Yiwu market overseas, and gradually "moving" more than 2 million kinds of commodities to Dubai, solving the problems of foreign buyers not being able to come to Yiwu to purchase, the lack of physical experience of online display, and the low inefficiency of online communication, etc. At the same time, the project has built a golden international logistics channel between Yiwu and Dubai to promote the efficient flow of Chinese commodities in the UAE, and make Dubai a "bridgehead" for Chinese commodities to seamlessly connect with the Middle East, Africa and Europe.

(ii) Digital reform

1. Digital + Market

(1) Chinagoods platform

Yiwu Market's official website "Yiwu Small Commodities City" platform (www.chinagoods.com, referred to as "chinagoods platform") relies on the Company's market resources of 75,000

brick-and-mortar stores to serve more than 2 million small, medium and micro enterprises in the upstream of the industry chain. During the reporting period, the chinagoods platform achieved GMV of RMB 15.178 billion.

The chinagoods platform takes the integration of trade data as the core driving force, meets the needs of both supply and demand in production, display transactions, warehousing and logistics, financial credit, market management and other links, and builds a real, open and integrated digital comprehensive service platform for trade. It's the core carrier for the Company to realize the digitalization of trade.

(2) Caigoubao

Caigoubao was launched on the chinagoods platform in November 2021. In view of the characteristics of scattered orders, LCL declaration, and no-ticket tax exemption in market procurement trade, combined with the "cargo unitizer system", one-click "documentary procurement", "digital cargo examination", "loading and shipping" and "smart customs declaration" can be realized. The order sheet, packing list, customs declaration form and foreign exchange settlement form are connected in series to form a unique closed-loop information of market procurement trade methods; chinagoods platform logistics, overseas warehouses, supply chain financial services and other functions form a closed loop of logistics; licenses of the Company for payment, factoring, small loans, local and foreign currency exchange, and products such as Daikuanbao and Jiehuibao are used to form a closed loop of payment flow and capital flow. "Three Flow Convergence" simplifies trade links, improves trade efficiency, and helps Chinese small commodities go overseas. As of the end of the reporting period, the transaction volume of Caigoubao was 503 million.

(3) Benben Zhaohuo



Benben is the mascot of chinagoods platform. Benben Zhaohuo by adopting the "Didi Model" to allow buyers to issue personalized needs, gradually get rid of the dependence on the traditional "search" transaction model, try to break the "rat race" of advertising industry, and combine the "Beike Model" with the endorsement of offline store certification and selection. Integrate supply, empower

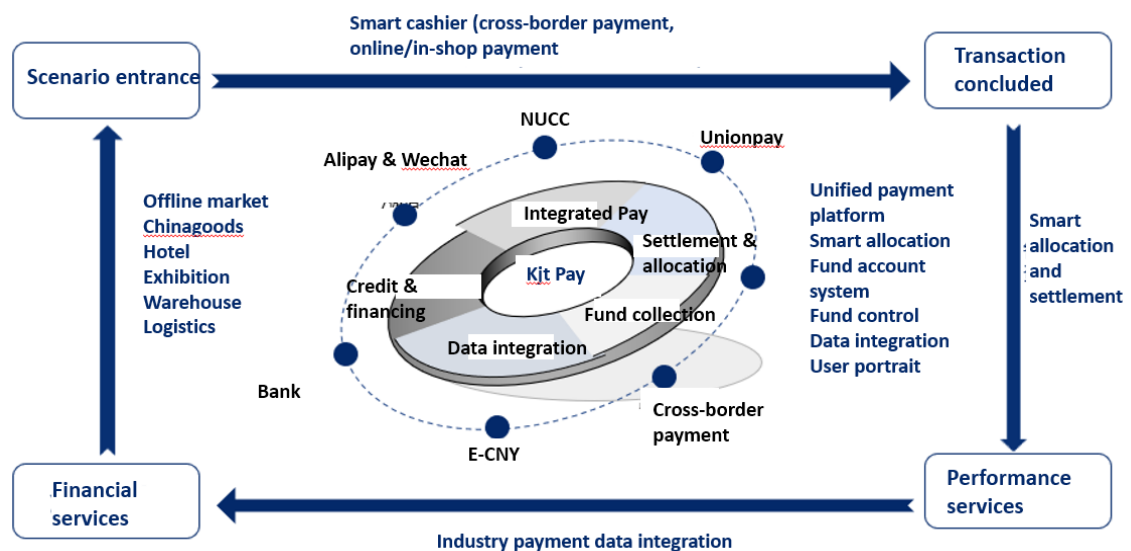
"transformation of foreign trade into domestic trade" in the form of services, achieve new, revitalized, and precise access to effective users, and improve circulation efficiency.

Benben Zhaohuo has been online for a quarter, with an average daily consultation volume of about 1,500, and maintains an average monthly growth of more than 50%. During the reporting period, Benben Zhaohuo realized response to a business opportunity clue within 1 hour, merchants offering quotations within 4 hours, and 24-hour tracking service guarantee, reaching merchants 3.3 million times.

2. Digital + Finance

(1) Payment

At present, the Company has completed the acquisition of payment licenses, and will provide services such as smart cashiers, cross-border payments, and smart account sharing for the small commodity industry ecosystem. Focusing on the payment and settlement business, the Company promotes the digital transformation of the Yiwu Market, builds a closed loop of "people-goods-field" for capital flow and information flow, and builds a new strategic financial infrastructure for digital trade globalization.



(2) Pilot program of e-CNY application



The pilot program of e-CNY application in the International Trade City has been fully launched. The Company relies on the rich trade scenarios in Yiwu to carry out the pilot program of e-CNY, actively explores the "Yiwu model" and "Yiwu experience", expands the application and innovation of e-CNY in the field of commercial and trade circulation, and builds multi-industry participation in the e-CNY circulation ecosystem. As of June 30, there were 22,395 merchants accepting e-CNY and 36,589 e-CNY wallets.

(iii) Self-operated trade



During the reporting period, the Company focused on the strategic goal of "comprehensive service provider for international trade", entered the upstream and downstream of market trade through self-operated trade, gave full play to the Company's platform and brand advantages, linked trade with the market and fed back the market, forming a situation of virtuous and orderly cycle.

The Company has deployed self-operated trade since 2019. After more than two years of market exploration and customer development and accumulation, by the second half of 2021, the self-operated trade business had ushered in explosive growth. In the first half of 2022, relying on the Company's advantages in overseas centralized procurement, the customer stickiness was relatively high, and the domestic distribution demand was relatively strong, which maintained a certain growth scale; however, due to the of global outbreaks of Covid-19 pandemic and other factors, there are still uncertain factors in the international trade business. In the first half of 2022, trade revenue was RMB 2.401 billion yuan, an increase of 584.05% from RMB 351 million yuan in the same period last year.

(iv) Increasing speed and efficiency of construction of commercial and trade infrastructure

1. Domestic cloud warehouse

Intensive and automated warehousing facilities and equipment have been introduced into chinagoods shared cloud warehouses, which have attracted a number of industry chambers of commerce to settle in. The Company explores models such as "digital inventory management and standardized cross-border sales of non-standard small commodities" and digital operation of industry vertical warehouses to better meet the warehousing needs of small, medium and micro traders. The overall occupancy rate in the first half of the year was over 86%.

2. Overseas warehouse

The overseas warehouse is an important overseas node for cross-border trade, a new type of foreign trade infrastructure, and an important platform for driving the growth of foreign trade and developing overseas markets. During the reporting period, the Company continued to actively build a network of overseas warehouses and trade hubs, integrated trade service resource elements, and strived to create a trade performance business supported by overseas warehouse cargo and payment control, which includes warehousing, cargo unitizing and financial services. The Company had a total of 144 overseas warehouses with an area of over 1.1 million square meters, covering 47 countries around the world, and initially formed 5 warehouse groups in America, Asia, Europe, Africa and Oceania. In trade node cities in Germany, Rwanda, the Czech Republic and other countries, 20 "Take You to China" series of trade service centers have been established to promote the advancement of the commodities market and lay a solid foundation for trade facilitation and digitalization.

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: RMB10,000

Item	Jan-Jun 2021	Jan-Jun 2021	YoY change (%)
Operating revenue	420,702.76	207,262.77	102.98
Operating cost	315,929.81	92,541.06	241.39
Sales expenses	9,328.21	7,404.29	25.98
Administrative expenses	22,657.14	16,669.89	35.92
Financial expenses	6,289.19	4,735.10	32.82
R&D expenses	570.80	456.91	24.93
Net cash flow from operating activities	-66,658.73	16,673.58	-499.79
Net cash flow from investing activities	-47,226.21	-3,616.21	Not applicable
Net cash flow from financing activities	60,377.06	-20,435.12	Not applicable

Reasons for the change in operating revenue: the Company's operating revenue increased by 102.98% YoY, mainly due to the increase in the sales of goods during the current period.

Reasons for the change in operating cost: the Company's operating cost increased by 241.39% YoY, mainly due to the increase in the sales of goods during the current period.

Reasons for changes in administrative expenses: administrative expenses increased by 35.92% YoY, due to the YoY increase in the accrued wages based on benefits in the first half of the year, due to the YoY increase in benefits according to the method for accruing total wages.

Reasons for changes in financial expenses: Financial expenses increased by 32.82% YoY, due to the decrease in interest income.

Reasons for the change in the net flow generated by operating activities: mainly due to an decrease of RMB 868 million in net cash deducted from payment for selling goods and providing services.

Reasons for changes in net cash flow from investment activities: mainly because the net outflow of investment during the current period increased by RMB 278 million YoY, and cash paid for purchasing and construction of fixed assets, intangible assets and other long-term assets increased by RMB 116 million YoY.

Explanation for the change in the net cash flow from financing activities: mainly due to an increase of RMB 885 million YoY in the net inflow of financing in the current period.

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: RMB10,000

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 2021	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
Monetary capital	449,933.40	14.90	483,146.84	15.58	-6.87	
Receivables	7,378.22	0.24	18,523.75	0.60	-60.17	Mainly due to the collection of receivables from the sales of goods
Inventory	168,475.51	5.58	132,740.26	4.28	26.92	
Property investment	291,645.32	9.66	297,393.64	9.59	-1.93	
Long-term equity investment	577,395.84	19.11	577,245.52	18.61	0.03	
Fixed assets	486,272.61	16.10	507,859.09	16.37	-4.25	
Construction in progress	169,809.72	5.62	109,057.80	3.52	55.71	Mainly due to the payment for construction projects such as comprehensive bonded zone
Right-of-use assets	21,125.81	0.70	22,534.71	0.73	-6.25	
Short-term borrowings	58,743.58	1.94	94,273.61	3.04	-37.69	Due to repayment of due borrowings
Contract liabilities	265,058.06	8.77	405,841.92	13.09	-34.69	Mainly due to the carry-forward of advance market payment on schedule
Long-term borrowings	20,450.00	0.68	77,125.00	2.49	-73.48	Due to repayment of due borrowings
Lease liabilities	20,360.25	0.67	20,594.27	0.66	-1.14	

Other description
Nil

2. Overseas assets

Applicable Not applicable

(1) Scale of assets

Among them: offshore assets was RMB 880 million, accounting for 2.91% 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, 2022	2021
Cash and cash equivalents	60.88	60.78
Long-term equity investment	102,918,559.00	102,918,559.00
Other non-current financial assets	636,870,392.09	636,870,392.09
Total	739,789,011.97	739,789,011.87

1. As of June 30, 2022, bank deposits with a book value of RMB 60.88 (December 31, 2021: RMB 60.78) were restricted for ownership or use rights due to being as security deposits for obtaining commercial housing mortgage loan.

2. As of June 30, 2022, long-term equity investments with a book value of RMB 102,918,559.00 (December 31, 2021: RMB 102,918,559.00) and other non-current assets of RMB 636,870,392.09 (December 31, 2021: RMB 636,870,392.09) were frozen by Shanghai Municipal Public Security Bureau.

4. Other statements

Applicable Not applicable

(iv) Analysis of investments

1. Overview of external equity investment

At the end of June 2022, the external investment amounted to RMB 7,936,163,100 (including RMB 51,033,600 for financial assets held for trading, RMB 538,083,300 for investment in other equity instruments, RMB 1,573,087,800 for other non-current financial assets, and RMB 5,773,958,400 for long-term equity investment), a decrease of RMB 78,674,500 or 0.98%, from RMB 8,014,837,600 (including RMB 75,375,100 for financial assets held for trading, RMB 642,188,000 for investments in other equity instruments, RMB 1,524,819,300 for other non-current financial assets, and RMB 5,772,455,200 for long-term equity investments) at the end of the previous year. The main changes are as follows:

I. Long-term equity investment during the reporting period increased by RMB 1,503,100 YoY, mainly due to:

1. The net investment cost decreased by RMB 4.3813 million. The investment principal increased by RMB 20,118,700, including: RMB 19,493,700 for JEBEL ALI FREE ZONE TRADER MARKET DEVELOPMENT AND OPERATION FZCO, RMB 625,000 for Zhejiang Yixinou Supply Chain Management Co., Ltd.; the recovered investment principal of RMB 24,500,000 was due to the recovery of investment funds from Hangzhou Binjiang Shangbo Real Estate Development Co., Ltd.

2. A net increase of RMB 5,884,400 was recorded in the accrued income by equity method. Among them, the investment income and other equity changes accrued during the reporting period

were RMB 748.7954 million; the dividends received were RMB 742.9110 million, including RMB 580.8656 million from Rongshang Real Estate, RMB 88.2 million from Pujiang Lvgu, RMB 60 million from Chuangcheng Real Estate, and RMB 13.8454 million from Hangzhou Binjiang Shangbo Real Estate Development Co., Ltd.

II. During the reporting period, the investment in other equity instruments decreased by RMB 104.1047 million year-on-year, due to the change in fair value of Shenwan Hongyuan Group Co., Ltd.

III. During the reporting period, the financial assets held for trading decreased by RMB 24,341,500 YoY, which was mainly due to the decrease of RMB 22,675,800 from the sale of part of the equity of Orient International Venture Co., Ltd.

IV. During the reporting period, other non-current financial assets increased by RMB 48.2685 million compared with the end of the previous year, mainly due to the newly added RMB 60 million for Suzhou Xiangzhong Venture Capital Partnership (Limited Partnership) and the recovery of investment funds of RMB 11.1851 million from Nantong Zijing Huatong Equity Investment Partnership (Limited Partnership).

The main investment is as follows:

Unit: RMB10,000

Invested target	Main business	Cost of investment	Book value at the end of June 2022	Shareholding ratio (%)
Yiwu China Commodities City Property Development Co., Ltd.	Real estate development, sales, leasing (used together with valid qualification certificates), real estate brokerage services, interior decoration; landscaping	271,854.77	285,826.24	49.00
Yiwu Hongyi Equity Investment Fund Partnership (limited partnership)	Investment management, equity investment, asset management and investment consulting (without approval of the industry regulatory authorities such as the finance regulatory authority, the Company shall not be engaged in the absorption of deposits, financial guarantee, agency wealth management, fundraising (financing) from the public and other financial businesses)	84,000.00	89,525.45	49.975
Yiwu Shangfu Chuangzhi Investment Center (limited partnership)	Asset management, investment management, and investment consulting service	61,751.14	63,687.04	74.9982
Shenwan Hongyuan Group Co., Ltd.	Securities brokerage, securities investment consulting and securities underwriting & sponsorship	55,362.54	53,808.33	0.501
Yiwu Shanglv Investment Development Co., Ltd.	Industry investment, investment management (excluding financial businesses such as securities and futures), property service, design, production and agency of domestic advertising, operation and management of parking garages, marketing planning, operation and management consulting, operation and management of shopping malls and business management consulting	39,200.00	39,024.18	49.00
Pujiang Lvgu Property Co., Ltd.	Real estate development, sales, leasing and property management	37,365.79	38,094.79	49.00

Zhejiang Chouzhou Financial Lease Co., Ltd.	Financial lease service; transfer of financial lease assets; fixed-income securities investment; acceptance of lessees' lease margin; absorption of time deposit with a term no shorter than three months from non-bank shareholders; inter-financial institutional lending; borrowing from financial institutions; overseas borrowing; sale and disposal of leased items; and economic consulting	26,000.00	46,169.00	26.00
Nantong Redbud Huatong Equity Investment Partnership (limited partnership)	Equity investment; investment consulting; and investment management	18,881.49	24,752.50	21.05
Yiwu Huishang Micro-finance Co., Ltd.	Micro-loans in Yiwu, and consulting services in connection with the development, management and finance for small-sized enterprises	12,420.00	8,388.54	23.00
Shenzhen Tiantu Investment Management Co., Ltd.	PE investment management in the consumer goods industry	11,438.62	4,003.52	1.536
Yiwu China Commodities City Fuxing Investment Center (limited partnership)	Equity investment, investment management and investment consulting	10,291.86	10,291.86	49.90
Yiwu Huishang Redbud Phase II Investment Partnership (limited partnership)	Investment management, asset management (excluding the assets subject to special state regulation such as state-owned assets) (the above business scope excludes financial businesses such as securities and futures; and without approval of the industry regulatory authorities such as the finance regulatory authority, the Company shall not be engaged in the absorption of deposits, financial guarantee, agency wealth management, fundraising (financing) from the public and other financial	10,000.00	10,667.13	9.43
Suzhou Xiangzhong Venture Capital Partnership (Limited Partnership)	Venture capital (limited to investment in unlisted enterprises); Equity investment	10,000.00	10,761.35	17.17
Jiaxing Zhehua Redbud Investment Partnership (limited partnership)	Industry investment, venture capital, investment management, business management, social and economic consulting. (Operating activities subject to approval in accordance with laws shall only be conducted after approval from related authority) [it shall not be engaged in the absorption of deposits, financial guarantee, agency wealth management, fundraising (financing) from the public and other financial businesses]	8,152.97	11,562.84	17.51
Jebel Ali Free Zone Trader Market Development and Operation FZCO	Lease and management of proprietary properties; and lease and management of the properties owned by others	9,299.65	7,601.60	30.00
Beijing Redbud Huarong Equity Investment Partnership	Asset management, investment management and investment consulting	6,171.78	13,846.69	12.36
Yiwu Rongshang Property Co., Ltd.	Real estate development and operation, landscape engineering and decoration engineering	5,000.00	10,975.31	49.00
Yiwu Huishang Redbud Equity Investment Co., Ltd.	Equity investment and related consulting services (without approval of the industry regulatory authorities such as the finance regulatory authority, the Company warrants that it will not be engaged in the absorption of deposits, financial guarantee, agency wealth management, fundraising (financing) from the public and other financial businesses)	3,277.64	6,762.49	10.42

Mashang Consumer Finance Co., Ltd.	Granting of personal consumption loans; acceptance of deposits from shareholders' domestic subsidiaries and domestic shareholders; lending to domestic financial institutions; issuance of financial bonds upon approval; inter-financial institution lending in China; consumption finance-related consulting; agency sale of insurance products related to consumption loans; and fixed-income securities investment	3,000.00	4,854.75	0.75
Fujian Zongteng Network Co., Ltd.	Network information technology service; computer system integration service; development and technical service of computer hardware and software; wholesale, agency purchase and agency sale of maternal and infant products; online operation of electronic products and components and accessories thereof, household supplies and components and accessories thereof, and outdoor goods and components and accessories thereof; market research; business management consulting; enterprise marketing planning; international freight forwarding; and domestic trade agency service; and foreign trade	3,000.00	11,151.71	0.5631
Oriental International Entrepreneurship Co., Ltd.	Food business; self-operated and agent for the import and export of products and technologies other than those that are uniformly organized or approved by the state, "three forms of OEM and compensation trades" and processing of imported materials, development, production, and sales of biological, pharmaceutical and chemical products, international freight forwarding agent, industrial and high-tech industry investment, counter trade, transit trade and service trade, sales: clothing and apparel, shoes and hats, knitwear, leather products, luggage and bags, daily necessities; the second-category medical devices sales.	2,768.54	2,603.05	0.39
Yiwu Shanfeng Investment Partnership (limited partnership)	Investment management, asset management and investment consulting	2,600.00	2,388.19	56.40
Yiwu Meipinshu Supply Chain Management Co., Ltd.	Supply chain management service, software development, and business management consulting	2,570.14	2,690.74	22.11
Yiwu Digital Port Technology Co., Ltd.	Communication equipment repair; communication equipment sales; communication equipment manufacturing; computer and communication equipment leasing; information technology equipment sales; computer software and hardware and auxiliary equipment wholesale; computer software and hardware and auxiliary equipment retail; information consulting services (excluding licensing information consulting services); socio-economic consulting services; advertising design, agency; advertising production; advertising publishing (excluding channels such as radio, television, newspaper publishing units); technical services, technology development, technology consulting, technology exchange, technology transfer, technology promotion; software development; sales of chemical product (excluding licensed chemical products); business agent services; general goods warehousing services (excluding hazardous chemicals and other items that require license approval)	2,550.00	2,458.81	51.00
Yiwu Guoshen Shangbo Property Co., Ltd.	Real estate development, sale and lease; real estate brokerage service, interior decoration service; and landscaping service	2,000.00	3,819.20	49.00
Yiwu Shanyue Equity Investment Partnership (limited partnership)	Equity investment; equity investment fund management, investment consulting, and operation and management of state-owned assets	2,000.00	1,689.66	39.60

Yiwu Chuangcheng Property Co., Ltd.	Real estate development and sale; lease of proprietary houses; real estate brokerage service; interior decoration service; and landscaping service	2,000.00	13,597.44	24.00
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(1) Major equity investments

√Applicable □Not applicable

Invested target	Main business	Actual investment amount during the reporting period (RMB10,000)	Percentage in total equity in the invested project By the end of the reporting period (%)	Remarks
Jebel Ali Free Zone Trader Market Development and Operation FZCO	Lease and management of proprietary properties; and lease and management of the properties owned by others	1,949.37	30.00	The subscribed capital was AED 50.40 million, and as of the end of the reporting period, the actual capital contributed was AED 50.40 million
Suzhou Xiangzhong Venture Capital Partnership (Limited Partnership)	Venture capital (limited to investment in unlisted enterprises); Equity investment	6,000.00	17.17	The subscribed capital was RMB 200 million, and as of the end of the reporting period, the actual capital contributed was RMB 100 million

(2) Major non-equity investments

√Applicable □Not applicable

Unit: RMB10,000

Item	Project amount	Progress	Investment amount in current period	Accumulative invested amount
The Yiwu Comprehensive Bonded Zone Project	624,250.00	The BD warehouse has been completed and put into use, the main part of the north area of the import market has been completed, 90% of the main project of the basement in the north and the south has been completed, the main part of the north area of the processing park has been completed, and 25% of the main part of the project in the south area has been completed.	55,936.22	196,857.57
Yiwu Digital Trade Industrial Park	39,579.00	The concrete pouring and tamping of the 18th floor of the core tube has been completed, 80% of the 12th floor slab has been laid, and 42% of the main body has been completed.	2,675.90	8,682.98

(3) Financial assets measured with fair value

√Applicable □Not applicable

Unit: RMB10,000

Name	Initial investment cost	Opening book value	Closing book value	Gains or losses during the reporting period	Accounting item	Source of funds
Guangdong Yangshan Union Precision Manufacturing Co., Ltd.	0.31	-	0.31	-	Held-for-trading financial assets	Self-owned funds
Wealth management products	2,500.00	2,500.00	2,500.00	2.66	Held-for-trading financial assets	Self-owned funds
Oriental International Entrepreneurship Co., Ltd.	2,768.54	5,037.36	2,603.05	12.65	Held-for-trading financial assets	Self-owned funds
Shenyin & Wanguo Securities Co., Ltd.	55,362.54	64,218.80	53,808.33	-	Other equity instruments investment	Self-owned funds
Yiwu Shangfu Chuangzhi Investment Center (limited partnership)	61,751.14	63,687.04	63,687.04	-	Other non-current financial assets	Self-owned funds
Nantong Redbud Huatong Equity Investment Partnership (limited partnership)	18,881.49	25,871.01	24,752.51	-	Other non-current financial assets	Self-owned funds
Shenzhen Tiantu Investment Management Co., Ltd.	15,519.21	4,788.21	4,003.52	-784.68	Other non-current financial assets	Self-owned funds
Beijing Redbud Huarong Equity Investment Co., Ltd.	6,171.78	13,846.69	13,846.69	-	Other non-current financial assets	Self-owned funds
Jiaying Zhehua Redbud Investment Partnership (limited partnership)	8,152.97	11,562.84	11,562.84	-	Other non-current financial assets	Self-owned funds
Suzhou Xiangzhong Venture Capital Partnership (Limited Partnership)	10,000.00	4,042.17	10,761.35	719.18	Other non-current financial assets	Self-owned funds
Beijing Yiyun Clean Technology Venture Capital Co., Ltd.	1,891.82	288.00	288.00	-	Other non-current financial assets	Self-owned funds
Suzhou Yiyun Venture Capital Center (limited partnership)	637.91	2,957.37	2,968.25	10.87	Other non-current financial assets	Self-owned funds
Fujian Zongteng Network Co., Ltd.	3,000.00	11,151.71	11,151.71	-	Other non-current financial assets	Self-owned funds
Mashang Consumer Finance Co., Ltd.	3,000.00	4,854.75	4,854.75	-	Other non-current financial assets	Self-owned funds
Yiwu Shanfeng Investment Partnership (limited partnership)	2,600.00	2,388.19	2,388.19	-	Other non-current financial assets	Self-owned funds
Yiwu Shanyue Equity Investment Partnership (limited partnership)	2,000.00	1,689.66	1,689.66	-	Other non-current financial assets	Self-owned funds
Beijing Wudaokou Education Technology Co., Ltd.	500.00	59.38	59.38	-	Other non-current financial assets	Self-owned funds
Yiwu Water Resources Development Co., Ltd.	200.00	1,860.00	1,860.00	-	Other non-current financial assets	Self-owned funds
Cheng Jian Bao (Beijing) Consulting Services Co., Ltd.	150.00	150.00	150.00	-	Other non-current financial assets	Self-owned funds
Yiwu Smart Transport Co., Ltd.	120.00	120.00	120.00	-	Other non-current financial assets	Self-owned funds
Zhejiang Yiwu Tap Water Co., Ltd.	207.29	3,064.89	3,064.89	-	Other non-current financial assets	Self-owned funds
Quanzhou Huayun Tiancheng E-commerce Co., Ltd.	100.00	100.00	100.00	-	Other non-current financial assets	Self-owned funds

(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
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Yiwu China Commodities City Financial Holdings Co., Ltd.	Enterprise's own capital investment, asset management, investment consulting services, investment management services	400,000.00	266,197.12	253,037.40	793.75
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	210,431.24	-89,445.74	-3,459.65
Zhejiang Huajie Investment and Development Co., Ltd.	Industry investment, investment management, investment consulting, business information consulting, and asset management services	50,000.00	9,095.08	9,087.20	-44.95
Yiwu Shangbo Yuncang Enterprise Management Co., Ltd.	Enterprise management; property management, etc.	30,000.00	52,985.62	33,305.63	-1,093.67
Yiwu Commodities City Gonglian Property Co., Ltd.	Real estate development and sale	20,000.00	15,977.18	15,799.73	-69.68
Yiwu China Commodities City Payment Network Technology Co., Ltd.	R&D of computer and multimedia software	15,000.00	11,962.29	11,956.70	-122.58
Yiwu China Commodities City Import and Export Co., Ltd.	Domestic trade and international trade	10,000.00	86,999.84	906.25	-1,488.13
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	33,144.96	11,666.51	-557.87
Yiwu China Commodities City Supply Chain Management Co., Ltd.	Supply chain management service	10,000.00	18,060.49	5,312.80	-600.43
Yiwu China Commodities City Overseas Investment and Development Co., Ltd.	Overseas industry investment, and construction and operation of overseas shopping malls	10,000.00	29,933.96	8,203.79	-257.52
Yiwu China Commodities City Tourism	Development of tourism resources and tourism projects; domestic tourism business,	10,000.00	14,299.57	8,600.73	-72.87

Development Co., Ltd.	inbound tourism business; tourism information consulting; and wholesale of fruits, vegetables, aquatic products and primary edible agricultural products				
Zhejiang Yiwugou E-commerce Co., Ltd.	Computer software, multimedia technologies, computer network and application, and wholesale & retail	10,000.00	12,801.32	9,814.58	668.17
Yiwu China Commodities City Logistics and Warehousing Co., Ltd.	Ordinary cargo transport and goods warehousing	10,000.00	6,555.58	4,677.71	-489.58
Yiwu Comprehensive Bonded Zone Operation and Management Co., Ltd.	Property management; low-temperature storage; general goods warehousing services (excluding hazardous chemicals and other items that require license approval); information consulting services; warehousing equipment rental services, etc.	10,000.00	4,947.57	2,161.13	1,095.97
Yiwu China Commodities City Information Technology Co., Ltd.	R&D of computer and multimedia software	5,000.00	8,010.30	5,234.69	-45.94
Yiwu China Commodities City Property Development Co., Ltd.	Real estate development and sale	500,000.00	1,425,287.57	596,824.04	25,513.10
Yiwu Hongyi Equity Investment Fund Partnership (limited partnership)	Investment management, equity investment, asset management and investment consulting	200,100.00	179,195.73	179,158.39	8,934.93
Yiwu Huishang Redbud Phase II Investment Partnership (limited partnership)	Investment management and asset management	106,100.00	132,480.00	127,033.45	35.39
Zhejiang Chouzhou Financial Lease Co., Ltd.	Financial lease service, and transfer of financial lease assets	100,000.00	1,558,670.21	177,573.08	13,718.90
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	131,342.96	82,831.45	1,293.30
Pujiang Lvgu Property Co., Ltd.	Real estate development and sale	70,000.00	110,388.46	75,820.08	2,013.56
Yiwu Huishang Micro-finance Co., Ltd.	Micro loans	54,000.00	36,356.87	36,010.74	461.17

Yiwu Huishang Redbud Equity Investment Co., Ltd.	Equity investment and related consulting services	49,000.00	73,056.17	64,919.86	4,642.38
Yiwu Rongshang Property Co., Ltd.	Real estate development and sale	10,204.08	196,567.21	22,398.58	96,577.78
Yiwu Chuangcheng Property Co., Ltd.	Real estate development and sale	8,333.33	153,251.77	56,655.98	44,962.93
Yiwu Guoshen Shangbo Property Co., Ltd.	Real estate development, sale and lease; real estate brokerage service, interior decoration service; and landscaping service	4,081.63	1,266,861.71	7,794.28	2,862.34
Jebel Ali Free Zone Trader Market Development and Operation FZCO	Lease and management of proprietary properties; and lease and management of the properties owned by others	AED 16,800.00	125,642.27	25,338.67	-2,523.91

(vii) Structured entities controlled by the Company

Applicable Not applicable

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

Applicable Not applicable

1. Market operation risk

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

2. Risk of insufficient reserve of talents

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

3. The risk of increasing external uncertainty

In the context of the normalization of pandemic prevention and control, the development of global market trade is more complicated and severer than before. The global spread of the pandemic

and reverse globalization are parallel, and the downward pressure on the world economy has increased. New technologies have accelerated the birth of new opportunities, and new trade models and new business formats have emerged. In the post-pandemic era, uncertainty will become the greatest certainty for the development of market trade, and the global pandemic will continue for a long time, showing a repeated see-saw state. Pandemic prevention and control, international politics, and global economy are intertwined. Uncertainty, instability, and restructuring of international trade will become the new normal. The Company may face the risk of increased external uncertainty.

(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
Resolution of the first provisional general meeting of shareholders in 2022	Mar 10, 2022	www.sse.com.cn	Mar 11, 2022	See the resolution notice for details
2021 Annual General Meeting of Shareholders	April 13, 2022	www.sse.com.cn	April 14, 2022	See the resolution notice for details

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

Applicable Not applicable

Statement on shareholders' meetings

Applicable Not applicable

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

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

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

Applicable Not applicable

Name	Title	Change
HUANG Haiyang	Vice general manager	Hiring
LI Xiaobao	Vice general manager	Hiring
WU Xiubin	Vice general manager	Leaving office
WU Menghua	Supervisor	Election
WANG Gaiying	Supervisor	Leaving office

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
<p>On October 23, 2020, the twenty-third meeting of the eighth session of the Company's board of directors passed <i>the Proposal on the Company's 2020 Restricted Equity Incentive Plan (Draft) and Its Summary, Proposal on the Measures for the Evaluation and Management of the Implementation of the Company's 2020 Restricted Equity Incentive Plan, Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Handle Issues Related to Equity Incentives</i>. 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 <i>Proposal on the Company's 2020 Restricted Equity Incentive Plan (Draft) and its Summary, The Proposal on the Implementation Evaluation and Management Measures for the Company's 2020 Restricted Equity Incentive Plan, Proposal on Verification of the List of Incentive Objects of the Company's 2020 Restricted Equity Incentive Plan</i>. The board of supervisors issued relevant verification opinions. 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 <i>Approval for Approving Zhejiang China Commodities City Group Co., Ltd. to implement the 2020 restricted equity incentive plan</i> 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 equity incentive plan were internally publicized. Within the time limit of the publicity, the board of supervisors of the Company did not receive any objection from any</p>	<p>For details, please refer to the Company's announcement on the website of the Shanghai</p>

<p>organization or individual or bad feedback, without feedback record. On November 30, 2020, the Board of Supervisors of the Company issued the <i>Examination Opinions and Public Statement of the Board of Supervisors on the List of Incentive Objects of the Company's 2020 Restricted Equity Incentive Plan</i>.</p>	<p>Stock Exchange (www.sse.com.cn) on December 1, 2020.</p>
<p>On December 10, 2020, the Company's 2020 Fifth Provisional General Meeting of Shareholders deliberated and approved the "Proposal on the 'Company's 2020 Restricted Equity Incentive Plan (Draft)' and Summary", the "Proposal on the "Measures of Assessment and Management of Implementation of 'Company's 2020 Restricted Equity Incentive Plan'", and the "Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Deal with Equity Incentive Related Matters", and disclosed the "Self-examination Report on the Trades of Company's Stocks by Insiders of Company's 2020 Restricted Equity Incentive Plan".</p>	<p>For details, please refer to the Company's announcement on the website of the Shanghai Stock Exchange (www.sse.com.cn) on December 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 <i>Proposal on Granting Restricted Shares to Incentive Objects for the First Time</i>. 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 <i>Proposal on Granting Restricted Stocks to Incentive Objects for the First Time</i>. The Board of Supervisors issued the Verification Opinions of the Board of Supervisors on Matters Related to the First Grant of the Company's 2020 Restricted Equity Incentive Plan. 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 <i>Securities Change Registration Certificate</i> 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</p>	<p>For details, please refer to the Company's announcement on the website of the Shanghai</p>

<p>Stocks" 's proposal". The independent directors of the Company issued relevant independent opinions.</p> <p>On August 9, 2021, the ninth meeting of the eighth Board of Supervisors of the Company passed the "Proposal on Reserved Granting Restricted Stocks to Incentive Objects", "Proposal on Adjusting the Repurchase Price of Restricted Stocks and Repurchasing and Cancelling Some Restricted Stocks". The Board of Supervisors issued the Verification Opinions of the Board of Supervisors on Matters Related to the Company's Reserved Grant of the Restricted Equity Incentive Plan in 2020.</p>	<p>Stock Exchange (www.sse.com.cn) on August 11, 2021.</p>
<p>On November 4, 2021, the Company received the <i>Securities Change Registration Certificate</i> 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 51st meeting of the 8th Board of Directors of the Company passed the "Proposal on Adjusting the Repurchase Price of Restricted Shares and Repurchasing and Cancelling Some Restricted Shares". The independent directors of the Company issued relevant independent opinions.</p> <p>On July 19, 2022, the 14th meeting of the 8th Board of Supervisors 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>

(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

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. Fulfilment 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 report

Applicable 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

Applicable Not applicable

(i) Litigations and arbitrations have been disclosed in the temporary announcements and have had no further progresses

Applicable Not applicable

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

Applicable Not applicable

Unit: RMB10,000

During the reporting period:									
Plaintiff (claimant)	Defendant (respondent)	Party Bearing Joint Liabilities	Litigation or arbitration	Basic information of litigation (arbitration)	Value involved in litigation (arbitration)	Does the litigation (arbitration) cause estimated liabilities and the amount thereof	Status of litigation (arbitration)	Results of litigation (arbitration) and effect thereof	Enforcement of judgment (award)
The Company	Zhejiang Yiwu Chuanglian Market Investment and Management	Nil	Litigation	Unfair Competition Dispute	485	No	No hearings have not been held	/	/

	nt Co., Ltd., Hebei Jiangcheng Real Estate Developme nt Co., Ltd., Handan Zheshang Yiwu China Commoditie s Wholesale City Co., Ltd.								
The Compan y	Jiangsu Zhonghaoji ayuan Holding Group Co., Ltd., Suqian Yiwu Internationa l Trade City Market Managemen t Co., Ltd., Suqian Maike Information Technology Co., Ltd.	Nil	Litigati on	Unfair Competi tion Dispute	512	No	Hearin gs have been held but no judgme nt has been made	/	/
The Compan y	Golden Curtain Wall Group Co., Ltd.	Nil	Litigati on	Dispute over construc tion project construc tion contract	900.35	No	No hearin gs have not been held	/	/
The Compan y	Chongqing Jingtou Investment Group Co., Ltd., Chongqing Jingtou Wanyu Real Estate Co., Ltd.	Nil	Litigati on	Second Instance of Unfair Competi tion Dispute and Infringe ment of Tradem ark Exclusiv e Right	512	No	Hearin gs have been held but no judgme nt has been made	/	/
Nanjing Yiwu China Commod ities City Co., Ltd., Nanjing Zheshan g Investme nt Co., Ltd., Nanjing Xiezhon g Group	The Company	Nil	Litigati on	Second Instance of Unfair Competi tion Dispute	812	No	No hearin gs have not been held	/	/

Real Estate Development Co., Ltd.									
Zhenjiang Hongda Real Estate Co., Ltd., Zhenjiang Hongda Yiwu Small Commodity Market Management Co., Ltd.	The Company	Nil	Litigation	Second Instance of Unfair Competition Dispute	812	No	No hearings have not been held	/	/
Sun Lijun, Tu Lixin	Bafang Construction Group Co., Ltd., the Company, the first branch of the International Trade City	Nil	Litigation	Dispute over construction project subcontract	546.98	No	No hearings have not been held	/	/
Ningxia Shenghong Construction Engineering Co., Ltd. v.	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	650.69	No	No hearings have not been held	/	/
Ying Jianhua	The Company, third party Shenzhen Pengrun Construction Group Co., Ltd.	Nil	Litigation	Dispute over construction project construction contract	836.31	No	No hearings have not been held	/	/
Xinyang Wanjia Lighting Industry Co., Ltd., Henan Zhongda Commercial Operation	The Company	Nil	Litigation	Second Instance of Unfair Competition Dispute	792	No	No hearings have not been held	/	/

Management Co., Ltd.									
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(iii) Other statements

Applicable Not applicable

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

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

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

No decision has been made as of the end of the reporting period.

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

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	Pricing principle	Price of related-party transaction	Amount of related-party transaction	Percentage in the amount	Settlement method	Market M/Price	Reasons for the large
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		on	transactio n				of similar transacti ons (%)			differen ce betwe n the price of the transac tion and referen ce market price
Yiwu China Commo dities City Property Service Co., Ltd.	Controlli ng subsid aries of controlli ng shareho lders	Accept ance of labor service	Property service fee and greenin g mainten ance fee	Market price	72,002,6 26.73	72,002,6 26.73	85.70	Acco unt transf er		
Yiwu Security Service Co., Ltd.	Subsidi aries of controlli ng shareho lder parent company	Accept ance of labor service	Pandem ic preventi on and control and exhibitio n security service fee	Market price	10,543,1 39.42	10,543,1 39.42	12.55	Acco unt transf er		
CCCCP	Controlli ng subsid aries of controlli ng shareho lders	Lease out	Office space rental	Market price	468,572. 46	468,572. 46	0.56	Acco unt transf er		
Xingfuh u Internati onal Confere nce Center, subordin ated to Yiwu Market Develop ment Group	Branche s of the controlli ng shareho lder parent company	Accept ance of labor service	Laundri ng fees	Market price	438,145. 35	438,145. 35	0.52	Acco unt transf er		
Yiwu China Commo dities City Creative Design and Develop ment Services Co., Ltd.	Associat es	Accept ance of labor service	Design fee	Market price	379,844. 66	379,844. 66	0.45	Acco unt transf er		

Xingfuhu International Conference Center, subordinated to Yiwu Market Development Group	Branche s of the controlling shareholder parent company	Other inflows	Entrusted management fees and license fees	Negotiated price	182,819.84	182,819.84	0.22	Account transfer		
Total				/	/	84,015,148.46	100.00	/	/	/
Return of large-value goods sales										
Illustration on related-party transactions										

(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

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

In order to meet the development needs of Handing Shangbo, a wholly-owned subsidiary of the Company's subsidiary CCCP for the development of real estate project on the east side of the intersection of Fotang Avenue and Shuangfeng Road, Fotang Town, Yiwu, the Company provided

Handing Shangbo with a financial aid of no more than RMB 490 million. CCCH, the Company's controlling shareholder, will provide Handing Shangbo with the financial aid in the same proportion of its indirect shareholding in Handing Shangbo. For details, please refer to the Announcement on Providing External Financial Assistance and Related Party Transactions (Announcement Number: L2020-098).

As of the end of the reporting period, the balance of financial assistance provided by the Company was RMB 208 million, and the balance of financial assistance provided by CCCH was RMB 216 million.

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

Applicable Not applicable

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

Applicable Not applicable

(vi) Other significant related transactions

Applicable Not applicable

(vii) Others

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	12,542.86	Dec 16, 2015	Jul 1, 2015	Dec 15, 2026	Joint and several liability guarantee	Normal		No	No	-	SCO provided a counter-guarantee	Yes	Joint venture
Hangzhou Shangbo Nanxing	Wholly-owned subsidiary	House purchaser	495.48				Joint and several liability guarantee	Normal		No	No	-		No	
Amount of guarantees made during the reporting period (excluding the guarantees provided for subsidiaries)													-2,825.07		
Balance of guarantees at the end of the reporting period (A) (excluding the guarantees provided for subsidiaries)													13,038.34		
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)													13,038.34		
Ratio of the total amount of guarantees to the Company's net assets (%)													0.85		
Among which:															
Amount of guarantees provided for shareholders, actual controller and their related parties (C)													-		
Amount of guarantees provided directly or indirectly for the debtors whose debt-to-asset ratio exceed 70% (D)													-		
Portion of total amount of guarantees in excess of 50% of net assets (E)													-		
Total (C+D+E)													13,038.34		
Statement on the joint and several liability that may be assumed due to outstanding guarantees													Nil		

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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, 2022, Yiwu Shanglv actually borrowed RMB 255,976,751.57 from banks in total (December 31, 2021: RMB 296,505,577.63). According to the agreement of the guarantee contract, it assumed the guarantee liability of RMB 125,428,608.27 (December 31, 2021: RMB 145,287,733.04) with the Agricultural Bank of China Yiwu Branch. SCO provided a counter-guarantee for this guarantee.</p> <p>2. According to relevant regulations, before the purchaser of the commercial housing sold by the Group has obtained the property certificate, the Group shall provide the purchaser with a bank mortgage guarantee. As of June 30, 2022, the unsettled guarantee amount was RMB 4,954,833.62 (December 31, 2021: RMB 5,063,333.60). Those guarantees would be released after the issuance of the property ownership certificates and are thus little likely to incur losses. Therefore, the management believed that it was not necessary to make provision for the guarantees.</p>
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3 Other material contracts√Applicable Not applicable

No.	Name of contract	Contracting party	Contract price (RMB10,000)
1	The lot 2 of the first phase of the logistics warehousing project in the Comprehensive Bonded Zone	Beijing Urban Construction Group Co., Ltd.	86,711.78
2	Yiwu Comprehensive Bonded Zone New Import Market - North Zone Engineering Contract	China Construction Seventh Engineering Bureau Co., Ltd.	72,323.68
3	Yiwu Comprehensive Bonded Zone New Import Market - South Zone Engineering Contract	Zhejiang Construction Engineering Group Co., Ltd.	63,710.82
4	Yiwu Comprehensive Bonded Zone International Trade Digital Industry Project	Yuanyang Construction Group Co., Ltd.	40,498.09

XII. Other significant mattersApplicable √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.

Applicable Not applicable

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:

Total number of common shareholders as of the end of the reporting period	171,362
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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	Quantity	
Yiwu China Commodities City Holdings Limited	0	3,038,179,392	55.33	0	Nil	0	State-owned legal person
Zhejiang Provincial Finance Development Ltd.	0	147,466,528	2.69	0	Nil	0	State-owned legal person
Hong Kong Securities Clearing Company Ltd.	6,409,291	70,319,616	1.28	0	Unknown	0	Others
Ping An Life Insurance Company of China - Unit-linked - Individual Unit-linked Insurance	56,000,019	56,000,019	1.02	0	Unknown	0	Unknown
Dacheng Fund —Agricultural Bank of China —Dacheng China Securities Financial Assets Management Scheme	0	27,672,800	0.50	0	Unknown	0	Unknown
GF Fund— Agricultural Bank of China —GF China Securities Financial Assets Management Scheme	0	27,672,800	0.50	0	Unknown	0	Unknown

Southern Asset Management—Agricultural Bank of China—Southern China Securities Financial Assets Management Scheme	0	27,672,800	0.50	0	Unknown	0	Unknown
Zhong Ou AMC—Agricultural Bank of China—Zhong Ou China Securities Financial Assets Management Scheme	-4,378,100	23,294,700	0.42	0	Unknown	0	Unknown
E Fund—Agricultural Bank of China—E Fund China Securities Financial Assets Management Scheme	-4,662,700	23,010,100	0.42	0	Unknown	0	Unknown
Zhu Lina	2,002,800	20,406,003	0.37	0	Unknown	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	Quantity				
Yiwu China Commodities City Holdings Limited	3,038,179,392	RMB-denominated common share	3,038,179,392				
Zhejiang Provincial Finance Development Ltd.	147,466,528	RMB-denominated common share	147,466,528				
Hong Kong Securities Clearing Company Ltd.	70,319,616	RMB-denominated common share	70,319,616				
Ping An Life Insurance Company of China - Unit-linked - Individual Unit-linked Insurance	56,000,019	RMB-denominated common share	56,000,019				
Dacheng Fund—Agricultural Bank of China—Dacheng China Securities Financial Assets Management Scheme	27,672,800	RMB-denominated common share	27,672,800				
GF Fund—Agricultural Bank of China—GF China Securities Financial Assets Management Scheme	27,672,800	RMB-denominated common share	27,672,800				

Southern Asset Management – Agricultural Bank of China – Southern China Securities Financial Assets Management Scheme	27,672,800	RMB-denominated common share	27,672,800
Zhong Ou AMC – Agricultural Bank of China – Zhong Ou China Securities Financial Assets Management Scheme	23,294,700	RMB-denominated common share	23,294,700
E Fund – Agricultural Bank of China – E Fund China Securities Financial Assets Management Scheme	23,010,100	RMB-denominated common share	23,010,100
Zhu Lina	20,406,003	RMB-denominated common share	20,406,003
Explanation on the relationship or concerted action between the above shareholders	Zhejiang Finance Development Co., Ltd. holds 9.44% of the shares of Yiwu State-owned Capital Operation Co., Ltd., the controlling shareholder of Yiwu China Commodities City Holding Limited, the controlling shareholder of Yiwu Market Development Group Co., Ltd.		
Explanation on the preferred shareholders whose voting rights had been restituted and the quantity of shares held thereby	Nil		

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

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

Name of bond	Abbreviation	Code	Issue date	Value date	Maturity date	Outstanding amount	Interest rate (%)	Method of principal repayment and interest payment	Marketplace	Whether there is a risk of terminating the transaction in the stock market
Publicly offered corporate bond 2019 of Zhejiang China Commodities City Group Co., Ltd (Phase II)	19 YIWU CCC 02	1557 50	Sep 26, 2019	Sep 27, 2019	Sep 27, 2022	7	3.99	For the principal repayment and interest payment of the bond, the list of bondholders would be made according to the relevant provisions of the bond registration authority. The specific matters shall be handled according to the relevant provisions of the bond registration authority.	Shanghai Stock Exchange	No

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

Applicable Not applicable

Bonds overdue

Applicable Not applicable

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 Brilliance Credit Rating & Investors Service Co., Ltd. issued the Credit Rating Surveillance Report on Zhejiang China Commodities City Group Co., Ltd. and Bonds Publicly Issued by It [Brilliance Surveillance (2022) 00023] on May 20, 2022. The Company had an issuer rating of AAA with stable outlook, and the bonds had a rating of AAA.

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

Applicable Not applicable

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 Currency: RMB

Name of bond	Abbreviation	Code	Issue date	Value date	Maturity date	Outstanding amount	Interest rate (%)	Method of principal repayment and interest payment	Marketplace	Investor appropriate arrangements (if any)	Trade mechanism	Whether there is a risk of terminating the transaction in the stock market
Zhejiang China Commodities City Group Co., Ltd.'s 2019 MTN (Issue 1)	19 Zhejiang Yiwu CCC MTN001	0101900921	July 11, 2019 to July 12, 2019	Jul 15, 2019	Jul 15, 2022	10	3.99	One-time repayment of principal and interest at maturity.	Interbank market	Nil		No
Zhejiang China Commodities City Group Co., Ltd.'s 2019 MTN (Issue 2)	19 Zhejiang Yiwu CCC MTN002	0101901396	October 17, 2019 to October 18, 2019	Oct 21, 2019	Oct 21, 2022	10	3.97	One-time repayment of principal and interest at maturity.	Interbank market	Nil		No
Zhejiang China Commodities City Group Co., Ltd.'s 2022 MTN (Issue 1)	22 Zhejiang Yiwu CCC MTN001	0102280347	Feb 2, 2022 to Feb 23, 2022	Feb 24, 2022	Feb 24, 2025	10	3.29	One-time repayment of principal and interest at maturity.	Interbank market	Nil		No
Zhejiang China Commodities City Group Co., Ltd.'s 2022 MTN (Issue 2)	22 Zhejiang Yiwu CCC MTN002	0102280660	Mar 25, 2022 to Mar 28, 2022	Mar 29, 2022	Mar 29, 2022	5	3.57	One-time repayment of principal and interest at maturity.	Interbank market	Nil		No
Zhejiang China Commodities City Group Co., Ltd.'s 2021 Super Short-term Financing Bonds (Issue 8)	21 Zhejiang Yiwu CCC SCP008	012103893	Oct 25, 2021 to Oct 26, 2021	Oct 27, 2021	Jul 22, 2022	10	2.98	One-time repayment of principal and interest at maturity.	Interbank market	Nil		No
Zhejiang China Commodities City Group Co., Ltd.'s 2021 Super Short-term Financing Bonds (Issue 9)	21 Zhejiang Yiwu CCC SCP009	012104113	Nov 11, 2021 to Nov 12, 2021	Nov 15, 2021	Aug 12, 2022	10	2.87	One-time repayment of principal and interest at maturity.	Interbank market	Nil		No

Zhejiang Commodities City Group Co., Ltd.'s 2021 Super Short-term Financing Bonds (Issue 10)	China Yiwu CCC SCP010	012105209	Nov 26, 2021 to Nov 29, 2021	Nov 30, 2021	Aug 26, 2022	10	2.84	One-time repayment of principal and interest at maturity.	Interbank market	Nil		No
Zhejiang Commodities City Group Co., Ltd.'s 2022 Super Short-term Financing Bonds (Issue 1)	China Yiwu CCC SCP001	012282279	Jun 27, 2022 to Jun 28, 2022	Jun 29, 2022	Jul 29, 2022	10	2.2	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 Brilliance Credit Rating & Investors Service Co., Ltd. issued the Credit Rating Surveillance Report on Zhejiang China Commodities City Group Co., Ltd. and Bonds Publicly Issued by It [Brilliance Surveillance (2022) 00023] on May 20, 2022. The Company had an issuer rating of AAA with stable outlook, and the bonds had a rating of AAA.

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

Applicable Not applicable

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 end of the previous year.

Applicable Not applicable

(v) Main accounting data and financial indicators

Applicable Not applicable

Unit: RMB10,000

Major indicator	As of the end of the current reporting period	As of the end of 2021	Increase/decrease at the end of the reporting period over the end of the previous year (%)	Reasons for change
Current ratio	60.37%	58.91%	1.46	
Quick ratio	46.98%	50.12%	-3.14	
Debt-to-asset ratio (%)	49.01	52.83	-3.82	
	Jan-Jun 2022	Jan-Jun 2021	Increase/decrease during the reporting period over the same period of the previous year (%)	Reasons for change
Net profit after deduction of non-recurring gains and losses	118,171.58	80,498.09	46.80	Net profit increased by RMB 375 million YoY
EBITDA to total debt ratio	0.20	0.23	-13.04	
Interest coverage ratio	9.83	7.09	38.65	EBIT increased by RMB 286 million YoY
Cash interest protection multiple	-1.93	5.32	-136.21	The net cash flow from operating activities shrank

				by RMB 833 million YoY
EBITDA-to-interest coverage ratio	12.08	9.04	33.62	
Loan repayment rate (%)	100	100	-	
Interest payment rate (%)	100	100	-	

II. Convertible corporate bondsApplicable Not applicable

Section X. Financial Report

I. Audit report

Applicable Not applicable

II. Financial statements

Consolidated Balance Sheet

June 30, 2022

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

Unit: RMB

Item	Note	Closing balance	Opening balance
Current assets:			
Cash and cash equivalents		4,499,334,048.52	4,831,468,386.25
Held-for-trading financial assets		51,033,592.50	75,375,083.20
Accounts receivable		73,782,158.07	185,237,530.89
Prepayments		361,239,084.72	875,167,709.48
Other receivables		746,718,985.83	1,355,924,282.96
In which: interest receivable		3,107,715.32	92,249,275.44
Inventory		1,684,755,094.66	1,327,402,567.99
Other current assets		177,152,158.93	248,662,219.40
Total current assets		7,594,015,123.23	8,899,237,780.17
Non-current assets:			
Long-term receivables		270,534,332.30	222,307,363.40
Long-term equity investment		5,773,958,377.25	5,772,455,242.84
Other equity instruments investment		538,083,278.52	642,187,968.77
Other non-current financial assets		1,573,087,817.52	1,524,819,255.41
Property investment		2,916,453,207.65	2,973,936,400.46
Fixed assets		4,862,726,129.51	5,078,590,929.75
Construction in progress		1,698,097,157.31	1,090,577,963.27
Right-of-use assets		211,258,055.82	225,347,077.14
Intangible assets		4,232,587,518.36	4,043,564,662.35
Development expenses		18,685,324.05	6,359,814.02
Long-term prepaid expenses		175,587,961.61	188,184,376.43
Deferred income tax assets		125,668,332.39	135,737,028.89
Other non-current assets		215,820,330.19	211,329,650.45
Total non-current assets		22,612,547,822.48	22,115,397,733.18
Total assets		30,206,562,945.71	31,014,635,513.35
Current liabilities:			
Short-term borrowings		587,435,842.88	942,736,046.04
Accounts payable		293,544,737.63	493,360,429.02
Advances from customers		113,351,334.60	153,566,311.13
Contract liabilities		2,650,580,628.21	4,058,419,224.84
Payroll payable		164,527,450.31	243,964,755.38

Tax payable		170,871,026.68	559,496,547.34
Other payables		1,326,087,294.15	1,908,742,835.15
Non-current liabilities due within one year		3,204,867,360.53	3,664,241,923.08
Other current liabilities		4,066,990,475.43	3,081,384,800.50
Total current liabilities		12,578,256,150.42	15,105,912,872.48
Non-current liabilities:			
Long-term borrowings		204,500,000.00	771,250,000.00
Bonds payable		1,514,288,084.70	-
Lease liabilities		203,602,525.97	205,942,673.93
Estimated liabilities		110,620,306.10	110,620,306.10
Deferred income		104,292,866.78	78,170,103.62
Deferred income tax liabilities		89,666,983.34	111,897,463.42
Total non-current liabilities		2,226,970,766.89	1,277,880,547.07
Total liabilities		14,805,226,917.31	16,383,793,419.55
Owners' equity (or shareholders' equity)			
Paid-in capital (share capital)		5,491,274,176.00	5,491,274,176.00
Capital reserve		1,647,923,697.45	1,631,509,114.96
Less: treasury stocks		137,494,800.00	137,494,800.00
Other comprehensive income		-6,667,700.42	60,850,735.02
Surplus reserve		1,505,209,795.50	1,505,209,795.50
Undistributed profits		6,880,839,810.81	6,059,496,846.85
Total equity attributable to owners (shareholders) of the parent company		15,381,084,979.34	14,610,845,868.33
Minority interest		20,251,049.06	19,996,225.47
Total owners' equity (or shareholders' equity)		15,401,336,028.40	14,630,842,093.80
Total liabilities and owners' equity (or shareholders' equity)		30,206,562,945.71	31,014,635,513.35

Legal Representative: ZHAO Wenge, Head in charge of accounting: WANG Dong, Head of Accounting Department: ZHAO Difang

Balance Sheet of Parent Company

June 30, 2022

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

Unit: RMB

Item	Note	Closing balance	Opening balance
Current assets:			
Cash and cash equivalents		4,045,621,633.06	4,327,117,133.34
Held-for-trading financial assets		3,080.00	1,484.70
Accounts receivable		25,424,746.34	23,629,682.69
Prepayments		14,153,905.05	11,213,809.02
Other receivables		653,433,594.64	1,207,086,885.99
In which: interest receivable		3,107,715.32	92,249,275.44
Inventory		5,000,843.85	7,308,939.20
Other current assets		3,565,923,715.25	3,282,706,248.36
Total current assets		8,309,561,518.19	8,859,064,183.30
Non-current assets:			
Long-term receivables		41,669,604.79	41,668,837.64
Long-term equity investment		8,288,658,823.14	8,246,000,020.80
Other equity instruments investment		538,083,278.52	642,187,968.77
Other non-current financial assets		171,894,026.00	179,632,207.32
Property investment		2,873,773,394.30	2,533,374,736.14
Fixed assets		3,756,492,933.16	4,333,691,395.01
Construction in progress		1,538,628,671.27	936,297,029.41
Right-of-use assets		112,591,599.79	118,591,035.63
Intangible assets		3,887,514,197.64	3,878,208,204.47
Long-term prepaid expenses		156,364,077.85	165,720,500.56
Deferred income tax assets		112,083,303.88	122,565,730.38
Other non-current assets		67,395,000.00	65,607,343.55
Total non-current assets		21,545,148,910.34	21,263,545,009.68
Total assets		29,854,710,428.53	30,122,609,192.98
Current liabilities:			
Short-term borrowings		587,435,842.88	942,736,046.04
Accounts payable		125,750,763.10	349,268,967.90
Advances from customers		83,269,401.44	104,805,243.57
Contract liabilities		1,927,881,713.96	3,029,673,931.75
Payroll payable		112,381,861.90	203,724,767.47
Tax payable		190,945,626.00	527,641,861.33
Other payables		1,035,183,717.62	1,596,947,195.91
Non-current liabilities due within one year		3,190,242,996.49	3,656,595,072.25
Other current liabilities		4,528,612,888.61	3,452,451,678.36
Total current liabilities		11,781,704,812.00	13,863,844,764.58
Non-current liabilities:			
Long-term borrowings		204,500,000.00	771,250,000.00

Bonds payable		1,514,288,084.70	-
Lease liabilities		117,673,614.09	113,367,062.05
Estimated liabilities		110,620,306.10	110,620,306.10
Deferred income		104,292,866.78	78,170,103.62
Deferred income tax liabilities		21,756,720.68	43,870,176.87
Total non-current liabilities		2,073,131,592.35	1,117,277,648.64
Total liabilities		13,854,836,404.35	14,981,122,413.22
Owners' equity (or shareholders' equity)			
Paid-in capital (share capital)		5,491,274,176.00	5,491,274,176.00
Capital reserve		1,870,356,367.84	1,866,141,278.50
Less: treasury stocks		137,494,800.00	137,494,800.00
Other comprehensive income		-11,656,614.36	66,421,903.33
Surplus reserve		1,505,156,319.67	1,505,156,319.67
Undistributed profits		7,282,238,575.03	6,349,987,902.26
Total owners' equity (or shareholders' equity)		15,999,874,024.18	15,141,486,779.76
Total liabilities and owners' equity (or shareholders' equity)		29,854,710,428.53	30,122,609,192.98

Legal Representative: ZHAO Wenge, Head in charge of accounting: WANG Dong, Head of Accounting Department: ZHAO Difang

Consolidated Income Statement
Jan-Jun 2022

Unit: RMB

Item	Note	Jan-Jun 2022	Jan-Jun 2021
I. Gross revenue		4,207,027,616.46	2,072,627,727.00
In which: operating revenue		4,207,027,616.46	2,072,627,727.00
II. Gross cost		3,611,063,999.15	1,286,710,176.88
In which: Operating cost		3,159,298,146.77	925,410,625.41
Taxes and surcharges		63,312,437.35	68,637,589.35
Sales expenses		93,282,063.73	74,042,931.03
Administrative expenses		226,571,368.27	166,698,886.58
R&D expenses		5,708,047.58	4,569,138.44
Financial expenses		62,891,935.45	47,351,006.07
In which: interest expenses		154,500,444.77	173,963,591.17
Interest income		89,271,567.84	117,153,799.20
Plus: other income		16,715,248.69	9,046,028.12
Investment income (loss is indicated by "-")		750,723,439.63	263,831,792.50
In which: income from investment in associates and joint ventures		748,873,944.26	263,788,954.78
Changes in fair value (loss is indicated by "-")		-2,213,593.53	1,128,592.10
Credit impairment loss (loss is indicated by "-")		27,935.44	-429,274.88
Income from disposal of assets (loss is indicated by "-")		1,389.88	101,911.42
III. Operating profit (loss is indicated by "-")		1,361,218,037.42	1,059,596,599.38
Plus: income from non-operating activities		4,017,499.69	1,345,652.86
Less: expenses from non-operating activities		430,003.61	1,121,094.44
IV. Profits before tax (loss is indicated by "-")		1,364,805,533.50	1,059,821,157.80
Less: income tax		142,279,469.17	212,576,766.64
V. Net profits (net loss is indicated by "-")		1,222,526,064.33	847,244,391.16
(I) Categorized by continuity of operation			
Net profits from continuing operation (net loss is indicated by "-")		1,222,526,064.33	847,244,391.16
(II) Categorized by ownership			
Net profits attributable to shareholders of the parent company (net loss is indicated by "-")		1,222,205,978.81	850,514,460.93
Minority interest (net loss is indicated by "-")		320,085.52	-3,270,069.77
VI. Other comprehensive income, net of tax		-67,583,697.37	-57,171,933.87
(I) Other comprehensive income attributable to owners of the parent company, net of tax		-67,518,435.44	-57,153,335.28
1. Other comprehensive income that cannot be reclassified as profits or loss		-78,078,517.69	-55,501,596.91
(3) Changes in fair value of investments in other equity instruments		-78,078,517.69	-55,501,596.91
2. Other comprehensive income that will be reclassified as profits or loss		10,560,082.25	-1,651,738.37
Other comprehensive income that can be transferred into profit and loss under equity method		-78,548.99	-
(6) Difference arising from the translation of foreign currency financial statements		10,638,631.24	-1,651,738.37
(2) After -tax net of other comprehensive income attributable to minority shareholders		-65,261.93	-18,598.59
VII. Total comprehensive income		1,154,942,366.96	790,072,457.29
(I) Total comprehensive income attributable to owners of the parent company		1,154,687,543.37	793,361,125.65

(II) Total comprehensive income attributable to minority shareholders		254,823.59	-3,288,668.36
VIII. Earnings per share:			
(I) Basic earnings per share		0.22	0.16
(II) Diluted earnings per share		0.22	0.15

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, Head in charge of accounting: WANG Dong, Head of Accounting Department: ZHAO Difang

Income Statement of Parent Company

Jan-Jun 2022

Unit: RMB

Item	Note	Jan-Jun 2022	Jan-Jun 2021
I. Operating revenue		1,436,820,545.38	1,588,046,245.78
Less: Operating cost		444,169,635.03	429,090,936.75
Taxes and surcharges		49,112,350.75	58,484,528.13
Sales expenses		39,499,869.87	47,108,501.28
Administrative expenses		99,654,988.83	90,199,678.31
Financial expenses		75,012,149.89	46,070,392.65
In which: interest expenses		154,500,444.77	173,963,591.17
Interest income		86,046,217.34	116,062,301.61
Plus: other income		6,672,653.40	6,818,726.38
Investment income (loss is indicated by "-")		754,092,157.92	242,410,649.86
In which: income from investment in associates and joint ventures		753,179,755.40	242,367,812.14
Changes in fair value (loss is indicated by "-")		-7,738,181.32	3,768,691.70
Credit impairment loss (loss is indicated by "-")		-151,096.47	-472,652.89
Income from disposal of assets (loss is indicated by "-")		1,971,031.95	-
II. Operating profits (loss is indicated by "-")		1,484,218,116.49	1,169,617,623.71
Plus: income from non-operating activities		3,754,970.99	1,312,807.46
Less: expenses from non-operating activities		131,077.29	1,119,542.70
III. Profits before tax (loss is indicated by "-")		1,487,842,010.19	1,169,810,888.47
Less: income tax		154,728,322.57	211,782,812.65
IV. Net profits (net loss is indicated by "-")		1,333,113,687.62	958,028,075.82
(I) Categorized by continuity of operation (net loss is indicated by "-")		1,333,113,687.62	958,028,075.82
V. Other comprehensive income, net of tax		-78,078,517.69	-55,501,596.91
(I) Other comprehensive income that cannot be reclassified as profit or loss		-78,078,517.69	-55,501,596.91
3. Changes in fair value of investments in other equity instruments		-78,078,517.69	-55,501,596.91
VI. Total comprehensive income		1,255,035,169.93	902,526,478.91

Legal Representative: Zhao Wenge Head in charge of accounting: Wang Dong Head of Accounting
Department: Zhao Difang

Consolidated Cash Flow Statement

Jan-Jun 2022

Unit: RMB

Item	Note	Jan-Jun 2022	Jan-Jun 2021
I. Cash flow from operating activities:			
Cash received from sale of goods and rendering of services		3,817,631,052.46	2,103,613,100.95
Cash received for taxes and surcharges refunded		224,460,979.51	31,958,670.65
Other cash receipts relating to operating activities		222,892,462.11	185,781,336.71
Sub-total of cash inflow from operating activities		4,264,984,494.08	2,321,353,108.31
Cash paid for goods and services		3,653,727,304.04	1,072,180,983.15
Cash paid to and on behalf of employees		325,183,213.92	321,909,809.23
Payments of taxes		605,322,164.89	585,534,877.66
Other cash payments relating to operating activities		347,339,144.85	174,991,613.52
Sub-total of cash outflow from operating activities		4,931,571,827.70	2,154,617,283.56
Net cash flow from operating activities		-666,587,333.62	166,735,824.75
II. Cash flow from investing activities:			
Cash received from recovery of investment		2,838,060,000.34	5,052,210,999.83
Cash received from investment income		118,704,141.34	103,616,646.00
Net cash received from disposal of property, plant and equipment, intangible assets and other long-term assets		355,650.91	43,092,520.72
Other cash receipts relating to investing activities		901,774,483.00	1,326,599,831.00
Sub-total of cash inflow from investing activities		3,858,894,275.59	6,525,519,997.55
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		1,180,574,429.74	1,064,887,215.22
Cash paid to acquire investments		3,082,074,693.64	3,945,813,863.27
Other cash paid related to investing activities		68,507,285.00	1,550,981,005.00
Sub-total of cash outflow from investing activities		4,331,156,408.38	6,561,682,083.49
Net cash flow from investing activities		-472,262,132.79	-36,162,085.94
III. Cash flow from financing activities:			
Cash received for investment taking		-	6,000,000.00
Including: cash received by subsidiaries from absorbing minority shareholders' investment		-	6,000,000.00
Cash received from borrowings		2,275,250,000.00	1,422,000,000.00
Cash received from bond issuance		2,500,000,000.00	5,000,000,000.00
Sub-total of cash inflow from financing activities		4,775,250,000.00	6,428,000,000.00
Cash paid for debts repayment		3,700,000,000.00	6,232,000,000.00
Cash paid for distribution of dividends or profits or payment of interest		459,508,761.85	400,351,190.76
Other cash paid related to financing activities		11,970,676.79	-
Sub-total of cash outflow from financing activities		4,171,479,438.64	6,632,351,190.76

Net cash flow from financing activities		603,770,561.36	-204,351,190.76
IV. Effect of foreign exchange rate changes on cash and cash equivalents		2,944,567.22	769,966.77
V. Net increase in cash and cash equivalents		-532,134,337.83	-73,007,485.18
Plus: opening balance of cash and cash equivalents		4,006,468,325.47	2,032,642,871.63
VI. Closing balance of cash and cash equivalents		3,474,333,987.64	1,959,635,386.45

Legal Representative: ZHAO Wenge, Head in charge of accounting: WANG Dong, Head of Accounting Department: ZHAO Difang

Cash Flow Statement of Parent Company

Jan-Jun 2022

Unit: RMB

Item	Note	Jan-Jun 2022	Jan-Jun 2021
I. Cash flow from operating activities:			
Cash received from sale of goods and rendering of services		358,669,144.91	1,118,280,046.33
Cash received for taxes and surcharges refunded		168,188,111.96	23,527,341.26
Other cash receipts relating to operating activities		97,589,662.20	1,789,613,350.06
Sub-total of cash inflow from operating activities		624,446,919.07	2,931,420,737.65
Cash paid for goods and services		166,099,659.04	154,026,249.28
Cash paid to and on behalf of employees		203,530,312.37	222,414,525.26
Payments of taxes		537,128,931.09	492,951,916.52
Other cash payments relating to operating activities		251,492,294.32	1,990,862,090.20
Sub-total of cash outflow from operating activities		1,158,251,196.82	2,860,254,781.26
Net cash flow from operating activities		-533,804,277.75	71,165,956.39
II. Cash flow from investing activities:			
Cash received from recovery of investment		5,314,515,684.34	5,052,210,999.83
Cash received from investment income		107,024,942.32	99,366,646.00
Net cash received from disposal of property, plant and equipment, intangible assets and other long-term assets		329,836.53	42,716,005.31
Net cash received from disposal of subsidiaries and other business units		9,380,000.00	-
Other cash receipts relating to investing activities		886,118,683.00	1,326,599,831.00
Sub-total of cash inflow from investing activities		6,317,369,146.19	6,520,893,482.14
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		989,899,828.33	970,900,182.64
Cash paid to acquire investments		5,864,167,378.64	3,985,050,918.27
Other cash paid related to investing activities		26,734,400.00	1,492,745,800.00
Sub-total of cash outflow from investing activities		6,880,801,606.97	6,448,696,900.91
Net cash flow from investing activities		-563,432,460.78	72,196,581.23
III. Cash flow from financing activities:			
Cash received from borrowings		2,275,250,000.00	1,422,000,000.00
Cash received from bond issuance		2,500,000,000.00	5,000,000,000.00
Sub-total of cash inflow from financing activities		4,775,250,000.00	6,422,000,000.00
Cash paid for debts repayment		3,700,000,000.00	6,232,000,000.00
Cash paid for distribution of dividends or profits or payment of interest		459,508,761.85	400,351,190.76
Sub-total of cash outflow from financing activities		4,159,508,761.85	6,632,351,190.76
Net cash flow from financing activities		615,741,238.15	-210,351,190.76
IV. Effect of foreign exchange rate changes on		-	-

cash and cash equivalents			
V. Net increase in cash and cash equivalents		-481,495,500.38	-66,988,653.14
Plus: opening balance of cash and cash equivalents		3,527,117,072.56	1,885,867,436.92
VI. Closing balance of cash and cash equivalents		3,045,621,572.18	1,818,878,783.78

Legal Representative: ZHAO Wenge, Head in charge of accounting: WANG Dong, Head of Accounting Department: ZHAO Difang

Statement of Changes in Consolidated Owners' Equity
Jan-Jun 2022

Unit: RMB

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. Change in current period (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

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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
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Item	Jan-Jun 2021								
	Equity attributable to owners of the parent company							Minority interest	Total owners' equity
	Paid-in capital (share capital)	Capital reserve	Less: treasury stocks	Other comprehensive income	Surplus reserve	Undistributed profits	Sub-total		
I. Closing balance of the same reporting period of previous year	5,489,914,176.00	1,594,906,524.67	137,298,000.00	78,149,661.33	1,364,257,808.58	5,168,298,206.50	13,558,228,377.08	16,481,000.16	13,574,709,377.24
II. Opening balance of the current year	5,489,914,176.00	1,594,906,524.67	137,298,000.00	78,149,661.33	1,364,257,808.58	5,168,298,206.50	13,558,228,377.08	16,481,000.16	13,574,709,377.24
III. Change in current period (decrease is indicated by "-")	-	17,010,813.12	-	-57,153,335.28	-	548,569,181.25	508,426,659.09	2,864,473.65	511,291,132.74
(I) Total comprehensive income	-	-	-	-57,153,335.28	-	850,514,460.93	793,361,125.65	-3,288,668.36	790,072,457.29
(II) Owners' contribution to and reduction in capital	-	17,010,813.12	-	-	-	-	17,010,813.12	6,153,142.01	23,163,955.13
1. Common shares contributed by owners	-	-	-	-	-	-	-	6,000,000.00	6,000,000.00
3. Amount of	-	17,010,813.12	-	-	-	-	17,010,813.12	153,142.01	17,163,955.13

share-based payment into owner's equity									
(III) Profits distribution	-	-	-	-	-	-301,945,279.68	-301,945,279.68	-	-301,945,279.68
3. Distribution to owners (or shareholders)	-	-	-	-	-	-301,945,279.68	-301,945,279.68	-	-301,945,279.68
IV. Closing balance of the current period	5,489,914,176.00	1,611,917,337.79	137,298,000.00	20,996,326.05	1,364,257,808.58	5,716,867,387.75	14,066,655,036.17	19,345,473.81	14,086,000,509.98

Legal Representative: ZHAO Wenge, Head in charge of accounting: WANG Dong, Head of Accounting Department: ZHAO Difang

Statement of Changes in Owners' Equity of Parent Company
Jan-Jun 2022

Unit: RMB

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. Change in current period (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 equity	-	4,215,089.34	-	-	-	-	4,215,089.34
(III) 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

Item	Jan-Jun 2021						
	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	5,489,914,176.00	1,833,256,515.22	137,298,000.00	81,473,183.84	1,364,204,332.75	5,383,365,299.69	14,014,915,507.50
II. Opening balance of the current year	5,489,914,176.00	1,833,256,515.22	137,298,000.00	81,473,183.84	1,364,204,332.75	5,383,365,299.69	14,014,915,507.50
III. Change in current period (decrease is indicated by "-")	-	10,920,930.43	-	-55,501,596.91	-	656,082,796.14	611,502,129.66
(I) Total comprehensive income	-	-	-	-55,501,596.91	-	958,028,075.82	902,526,478.91
(II) Owners' contribution to and reduction in capital	-	10,920,930.43	-	-	-	-	10,920,930.43
3. Amount of share-based payment into owner's equity	-	10,920,930.43	-	-	-	-	10,920,930.43

(III) Profits distribution	-	-	-	-	-	-301,945,279.68	-301,945,279.68
2. Distribution to owner (or shareholders)	-	-	-	-	-	-301,945,279.68	-301,945,279.68
IV. Closing balance of the current period	5,489,914,176.00	1,844,177,445.65	137,298,000.00	25,971,586.93	1,364,204,332.75	6,039,448,095.83	14,626,417,637.16

Legal Representative: ZHAO Wenge, Head in charge of accounting: WANG Dong, Head of Accounting 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 impairment provision was made in accordance with relevant provisions.

2. Going concern

√Applicable Not applicable

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

V. Important Accounting Policies and Accounting Estimates

Reminders on specific accounting policies and accounting estimates:

√Applicable Not applicable

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

1. Statement of compliance with the Accounting Standards

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

√Applicable Not applicable

2. Accounting period

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

3. Operating cycle√Applicable Not applicable

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

4. Functional currency

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

5. Accounting methods for merger of the enterprises under common control and merger of the enterprises not under common control√Applicable Not applicable

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

Mergers of the enterprises under common control

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

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

Mergers of the enterprises not under common control

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

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

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

For mergers of the enterprises not under common control that are executed through multiple transactions, the long-term equity investment of the acquiree before the date of acquisition shall be re-measured based on the fair value thereof on the date of acquisition and any difference between

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

6. Preparation method of consolidated financial statements

Applicable Not applicable

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

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

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

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

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

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

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

Applicable Not applicable

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

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

8. Criteria for the identification of cash and cash equivalents

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

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

Applicable Not applicable

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

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

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

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

10. Financial instruments

Applicable Not applicable

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

Recognition and de-recognition of financial instruments

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

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

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

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

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

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

Classification and measurement of financial assets

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

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

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

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

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

Investment in debt instruments measured by amortized cost

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

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

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

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

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

Classification and measurement of financial liabilities

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

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

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

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

Other financial liabilities

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

Impairment of financial instruments

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

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

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

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

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

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

11. Notes receivable

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

Applicable Not applicable

12. Accounts receivable

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

Applicable Not applicable

Please refer to Notes X. Risks Associated with Financial Instruments

13. Accounts receivable financing

Applicable Not applicable

14. Other receivables

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

Applicable Not applicable

Please refer to Notes X. Risks Associated with Financial Instruments

15. Inventory

Applicable Not applicable

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

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

Development costs refer to the properties that have not been completed and are developed for the purpose of being sold. Development products refer to the properties that have been completed

and are ready for sale. The actual costs of real estate development costs and development products include the land acquisition cost, expenditures on construction and installation works, capitalized interest and other direct and indirect development expenses. The use right of the land for development purpose at the development of a project is amortized and recognized as the development cost of the project based on the site area of the development product, and the development cost will be changed over to development product after being completed.

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

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

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

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

16. Contract assets

(1). Determination and criteria for contract assets

Applicable Not applicable

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

Applicable Not applicable

17. Held-for-sale assets

Applicable Not applicable

18. Debt investments

Determination and accounting treatment of the expected credit loss of debt investments

Applicable Not applicable

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

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

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

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

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

In the equity method, after long-term equity investment is acquired, the investment gains or losses and other comprehensive income shall be recognized and the book value of the long-term equity investment shall be adjusted based on the share in the net gains or losses and other comprehensive income realized by the investees to be enjoyed or assumed. The share in the investee's net gains or losses to be enjoyed shall be determined based on the fair value of the investee's identifiable assets at the acquisition of investment, according to the Group's accounting policies and accounting periods and after net profits of the investee are adjusted with the portion of gains or losses from the internal transactions with its associates and joint ventures that is attributable

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

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

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

22. Property investment

(1). 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 profit or loss for the current period at the time of being incurred.

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

Category	Service life	Estimated net residual value	Annual depreciation rate
Buildings and structures	20-30 years	4%	3.2%-4.8%

Land use right	40-70 years	-	1.4%-2.5%
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23. Fixed assets

(1). Recognition requirements

Applicable Not applicable

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

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

(2). Depreciation methods

Applicable Not applicable

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

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

Applicable Not applicable

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

24. Construction in progress

Applicable Not applicable

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

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

25. Borrowing costs

Applicable Not applicable

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

Borrowing costs that are directly attributable to the acquisition, construction or production of the assets qualified for capitalization shall be capitalized, and other borrowing costs shall be recognized in the profit or loss for the current period. The assets qualified for capitalization refer to the fixed assets, property investment, inventory and other assets that can reach the predetermined ready-for-use or sale status only after a quite long time of acquisition, construction or production.

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

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

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

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

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

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

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

26. Biological assets

Applicable Not applicable

27. Oil and gas assets

Applicable Not applicable

28. Right-of-use assets

Applicable Not applicable

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

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

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

29. Intangible assets

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

Applicable Not applicable

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

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

The service life of intangible assets is as follows:

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

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

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

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

Applicable Not applicable

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

30. Impairment of long-term assets

Applicable Not applicable

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

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

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

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

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

31. Long-term prepaid expenses

Applicable Not applicable

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

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

32. Contract liabilities

Recognition of contract liabilities

Applicable Not applicable

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

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

33. Employee compensations

(1) Accounting treatment of short-term compensations

Applicable Not applicable

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

(2) Accounting treatment of post-employment benefits

Applicable Not applicable

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

(3) Accounting treatment of severance benefits

Applicable Not applicable

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

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

Applicable Not applicable

34. Lease liabilities

Applicable Not applicable

At the commencement date of the lease period, the Group recognizes the present value of the outstanding lease payments as a lease liability, except for short term and low value leases. In calculating the present value of the lease payments, the Group uses the lease embedded interest rate as the discount rate; If the inherent interest rate of the lease cannot be determined, the lessee's incremental borrowing rate shall be used as the discount rate. The Group calculates the interest expense of the lease liability in each period of the lease term in accordance with the fixed cyclical interest rate and records it into the current profit and loss, except as otherwise stipulated in the cost of the relevant assets. The variable lease payment not included in the measurement of lease

liabilities shall be recorded into the profit and loss of the current period when it actually occurs, except for those included in the cost of related assets as otherwise stipulated. After the lease term begins, in the future when substantial changes occurred in the fixed payment, the guaranteed residual value is expected to cope with the amount of change, is used to determine the lease payment ratio index or change, call options, renewal options or terminate the option evaluation results or the actual exercise changes, after the Group according to the change of the present value of the lease payments to measure lease liability.

35. Estimated liabilities

Applicable Not applicable

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

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

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

36. Share-based payment

Applicable Not applicable

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

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

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

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

37. Preferred shares, perpetual bonds and other financial instruments

Applicable Not applicable

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

Applicable Not applicable

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

Commodity sales contracts

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

Service contracts

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

The use of shops in the China Commodities Cities and its supporting services

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

Hotel accommodation business

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

Hotel catering business

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

Fixed -time paid funding services

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

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

Applicable Not applicable

39. Contract cost

Applicable Not applicable

40. Government grants

Applicable Not applicable

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

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

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

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

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

41. Deferred income tax assets and deferred income tax liabilities

Applicable Not applicable

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

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

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

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

(1) The taxable temporary difference is generated in the following types of transactions: the initial recognition of goodwill, or the initial recognition of assets or liabilities generated in a transaction with the following characteristics: the transaction is not a business merger, and neither affecting accounting profits, nor impacting taxable incomes or deductible losses when a transaction occurs.

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

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

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

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

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

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

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

42. Lease

(1). Accounting treatment of operating lease

Applicable Not applicable

(2). Accounting treatment of financial lease

Applicable Not applicable

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

Applicable Not applicable

Identification of the lease

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

Identification of separate leases

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

(1) The lessee can profit from the use of the asset alone or in combination with other readily available resources;

(2) The asset is not highly dependent or highly related to other assets in the contract.

Separation of lease and non-lease components

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

Evaluation of the lease term

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

As a tenant

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

Change in lease

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

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

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

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

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

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

Short-term leases and leases of low-value assets

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

As a lessor

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

The Group as the lessor to operating leases

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

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

43. Other important accounting policies and accounting estimates

√Applicable □Not applicable

Distribution of profits

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

Measurement of fair value

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

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

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

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

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

Significant accounting judgments and estimates

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

Judgments

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

Operating lease - as the lessor

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

Partition between property investments and fixed assets

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

Judgments on assets acquisition and mergers of enterprises

When determining whether an acquisition transaction constitutes a merger, the Group assesses various factors, including whether the acquiree constitutes a business, in accordance with the Accounting Standards for Enterprises No. 20 – Merger of Enterprises. A business refers to a group of some production and operation activities or assets and liabilities within an enterprise, which has

the input, processing and output abilities and whose costs and expenses or revenue can be calculated independently, but an asset or a group of assets or liabilities can be deemed as a business so long as it has the input and processing processes. The Group makes comprehensive judgments by combining the asset acquired and the processing process.

Business model

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

Characteristics of contractual cash flow

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

Uncertainties of estimates

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

Impairment of financial instruments

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

Net realizable value of property inventory

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

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

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

Fair value of unlisted equity investment

Valuation of the unlisted equity investment is the expected future cash flows discounted at the current discount rate of other financial instruments with similar contract terms and risk characteristics.

This requires the Group to estimate the expected future cash flows, credit risk, volatility and discount rate, which brings uncertainties.

Development expenses

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

Deferred income tax assets

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

Service life and residual value of fixed assets

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

44. Changes in important accounting policies and accounting estimates

(1). Changes in important accounting policies

Applicable Not applicable

(2). Changes in important accounting estimates

Applicable Not applicable

45. Others

Applicable Not applicable

VI. Taxes

1. Major taxes and tax rates

Major taxes and tax rates

Applicable Not applicable

Tax	Base of taxation	Tax rate
VAT	Sale of goods or rendering of taxable service	The company is a general taxpayer. The taxable income is calculated at 13%, 9% and 6% tax rates as output tax, and the value-added tax is calculated and paid on the basis of the difference after deduction of the input tax allowed to be deducted in the current period. In addition, for the sale of the self-developed old real estate projects (the contract start date indicated in the "Construction Project Construction Permit" is before April 30, 2016) and the lease of the real estate acquired before April 30, 2016, the simplified tax calculation method shall apply at the rate of 5%.
Urban maintenance and construction tax	Indirect tax actually paid	5% or 7%
Corporate income tax		Domestic enterprises should pay 25% of the taxable income of corporate income tax; 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%; Yiwu China Commodities City (Germany) Co., Ltd. is registered in Frankfurt, Germany, so it is subject to the corporate income tax rate of 15%. BETTER SILK ROAD FZE was registered in Dubai and no corporate income tax is levied.
Land appreciation tax	Ratio of appreciation value to deductible items	Four-bracket progressive tax rate (30%~60%)
Real estate tax	If the tax is levied according to price, the amount is 1.2% of the balance of the original value of the property after a 30% deduction; if the tax is levied according to rental, the amount is 12% of the rental income.	1.2% or 12%
Education surcharge	Indirect tax actually paid	3%
Local education surcharge	Indirect tax actually paid	2%
Cultural undertaking development fee	Advertising turnover	2%

Disclosure of taxpayers subject to different income tax rates

√Applicable Not applicable

Taxpayer	Income tax rate (%)
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 notice "Measures of Yiwu for Implementation of Adjustment of Urban Land Use Tax Policies to Promote the Intensive and Economical Utilization of Land" (Y Z B F [2022] No. 16), the Company enjoys tax incentive of exemption from 90% of land use tax according to the statistical caliber of taxation on acres .

3. OthersApplicable 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	216,579.25	154,264.94
Bank deposits	4,498,985,667.17	4,831,258,722.95
Other cash and cash equivalents	131,802.10	55,398.36
Total	4,499,334,048.52	4,831,468,386.25
In which: amount deposited abroad	26,775,103.35	38,554,320.18

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

Unit: RMB

Item	Closing balance	Opening balance
Financial assets that are measured by fair value and of which the changes in fair value are recognized in the profit or loss for the current period	51,033,592.50	75,375,083.20
Among which:		
Equity instrument investment	26,033,592.50	50,375,083.20
Bank financing products	25,000,000.00	25,000,000.00
Total	51,033,592.50	75,375,083.20

Other statements:

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	79,963,537.64
1 to 2 years	120,212.00
2 to 3 years	100,234.00
Over 3 years	291,021.46
Total	80,475,005.10

(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	7.78	6,261,907.10	100.00	-	97,219,393.59	50.71	6,261,907.10	6.44	90,957,486.49
Among which:										
Trade receivables	-	-	-	-	-	90,957,486.49	47.44	-	-	90,957,486.49
Lease receivables	6,261,907.10	7.78	6,261,907.10	100.00	-	6,261,907.10	3.27	6,261,907.10	100.00	-
Accounts receivable for which bad debt provision is made by group	74,213,098.00	92.22	430,939.93	0.58	73,782,158.07	94,491,809.69	49.29	211,765.29	0.22	94,280,044.40
Among which:										
Accounts receivable for which the bad debts are provided by combination of credit risk characteristics	74,213,098.00	92.22	430,939.93	0.58	73,782,158.07	94,491,809.69	49.29	211,765.29	0.22	94,280,044.40
Total	80,475,005.10	/	6,692,847.03	/	73,782,158.07	191,711,203.28	/	6,473,672.39	/	185,237,530.89

Accounts receivable for which bad debt provision is made individually:

Applicable Not applicable

Unit: RMB

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

Explanation for making bad debt provision for accounts receivable individually:

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

Account age	End of June 2022		
	Estimated book balance in default	Expected credit loss rate (%)	Expected credit loss for the duration
Within 1 year	73,701,630.54	0.16	117,922.61
1 - 2 years	120,212.00	5.66	6,805.20
2 -3 years	100,234.00	15.16	15,190.66
Over 3 years	291,021.46	100.00	291,021.46
Total	74,213,098.00		430,939.93

(3). Provisions for bad debts

Applicable Not applicable

In which the recovered or reversed amount is important:

Applicable Not applicable

(4). Accounts receivable actually written off during the current period

Applicable Not applicable

(5). Accounts receivable from the five debtors with the highest closing balance

Applicable Not applicable

Unit: RMB

Debtor	Closing balance	Proportion in the total closing balance of accounts receivable (%)	Closing balance of bad debt provision
Total balance of the accounts receivable with the top five entities	33,324,100.20	41.41	6,305,206.61
Total	33,324,100.20	41.41	6,305,206.61

(6). Accounts receivable derecognized due to transfer of financial assets

Applicable Not applicable

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

Applicable Not applicable

Other notes:

Applicable Not applicable

6. Accounts receivable financing

Applicable Not applicable

7. Prepayments**(1). Presentation of prepayment by account age**

Applicable Not applicable

Unit: RMB

Account age	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	354,712,671.92	98.20	868,252,359.56	99.21
1 to 2 years	4,894,426.80	1.35	6,212,572.92	0.71
2 to 3 years	1,281,986.00	0.35	602,777.00	0.07
Over 3 years	350,000.00	0.10	100,000.00	0.01
Total	361,239,084.72	100	875,167,709.48	100

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

Nil

(2). Prepayments to the five suppliers with the highest closing balance

Applicable Not applicable

Debtor	Closing balance	Proportion in total closing balance of prepayments (%)
Binzhou Yellow River Oasis Agricultural Development Co., Ltd.	57,853,830.00	16.02
INDUSTRIAL PESQUERA SANTA PRISCILA S.A.	46,430,455.57	12.85
Sociedad Nacional de Galapagos C.A. SONGA	45,440,739.74	12.58
MARINASOL S.A.	30,413,936.01	8.42
PROCESADORA DE MARISCOS DE EL ORO PROMARO S.A.	29,493,673.49	8.16
Total	209,632,634.81	58.03

Other statements

Applicable Not applicable

8. Other receivables**Presentation of items**

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Interest receivable	3,107,715.32	92,249,275.44
Other receivables	743,611,270.51	1,263,675,007.52
Total	746,718,985.83	1,355,924,282.96

Other notes:

Applicable Not applicable

Interest receivable**(1). Classification of interest receivable**

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Cash occupation fee for receivables	3,107,715.32	92,249,275.44
Total	3,107,715.32	92,249,275.44

(2). Significant overdue interest

Applicable Not applicable

(3). Bad debt provision

Applicable Not applicable

Other notes:

Applicable Not applicable

Dividend receivable**(1). Dividend receivable**

Applicable Not applicable

(2). Important dividend receivable with an account age longer than 1 year

Applicable Not applicable

(3). Bad debt provision

Applicable Not applicable

Other notes:

Applicable Not applicable

Other receivables**(1). Disclosure based on account age**

Applicable Not applicable

Unit: RMB

Account age	Closing book balance
Within 1 year	260,642,903.54
1 to 2 years	460,810,668.28
2 to 3 years	6,879,340.47
Over 3 years	19,386,332.60
Bad debt provision for other receivables	-4,107,974.38
Total	743,611,270.51

(2). Classification based on the nature of accounts

Applicable Not applicable

Unit: RMB

Nature of receivable	Closing book balance	Opening book balance
Financial assistance receivable from joint ventures	466,228,109.38	1,103,178,748.00
Withholdings, deposit and margin	259,280,900.18	125,377,518.60
Receivables from export tax rebate	17,268,258.54	34,759,474.84
Reserve	834,002.41	359,266.08
Total	743,611,270.51	1,263,675,007.52

(3). Bad debt provision

√Applicable □Not applicable

Unit: RMB

Bad debt provision	Phase I	Phase 2	Phase 3	Total
	Expected credit loss in the coming 12 months	Expected credit loss in the entire duration (credit has not been impaired)	Expected credit loss in the entire duration (credit has been impaired)	
Balance on January 1, 2022	4,355,084.46			4,355,084.46
Balance on January 1, 2022 in current period				
Provision made in the current period	111,995.39			111,995.39
Current reversal	359,105.47			359,105.47
Balance on June 30, 2022	4,107,974.38			4,107,974.38

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	4,355,084.46	111,995.39	359,105.47	4,107,974.38
Total	4,355,084.46	111,995.39	359,105.47	4,107,974.38

In which the recovered or reversed amount is important:

□Applicable √Not applicable

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

□Applicable √Not applicable

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

√Applicable □Not applicable

Unit: RMB

Debtor	Nature of receivable	Closing balance	Account age	Weight in the total closing balance of other receivables (%)	Bad debt provision Closing balance
Yiwu Tonghui Shangbo Real Estate Co., Ltd.	Financial assistance	258,477,909.38	1-2 years	34.57	-
Yiwu Handing Shangbo Real Estate Co., Ltd.	Financial assistance	207,750,200.00	1-2 years	27.78	-

Yiwu Municipal Bureau of Finance	Land bid deposit	132,840,000.00	Within 1 year	17.77	-
Yisha Chengdu International Trade City Co., Ltd.	Temporary loan	40,000,000.00	Within 1 year	5.35	-
SUN OCEAN DEVELOPMENTS LIMITED	Margin	4,026,840.00	Within 1 year	0.54	-
Total	/	643,094,949.38	/	86.01	-

(7). Receivables involving government grants

√Applicable □Not applicable

Unit: RMB

Debtor	Government subsidy project name	Closing balance	Closing Aging	Estimated time, amount and basis for collection
Yiwu Taxation Bureau, State Administration of Taxation	Export tax rebate	17,268,258.54	Within 1 year	It is expected to be fully recovered by the end of October 2022, according to the "Interim Regulations of the People's Republic of China on Value-Added Tax"

Other notes:
Nil**(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	470,280.64	-	470,280.64	723,775.34	-	723,775.34
Finished goods	532,706,313.54	-	532,706,313.54	75,079,555.38	-	75,079,555.38
Development cost	123,683,595.74	28,303,338.06	95,380,257.68	347,123,927.41	28,303,338.06	318,820,589.35
Development products	1,054,046,726.67	-	1,054,046,726.67	928,561,037.31	-	928,561,037.31
Work-in-progress materials	2,151,516.13	-	2,151,516.13	4,217,610.61	-	4,217,610.61
Total	1,713,058,432.72	28,303,338.06	1,684,755,094.66	1,355,705,906.05	28,303,338.06	1,327,402,567.99

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

√Applicable □Not applicable

Unit: RMB

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

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

√Applicable □Not applicable

On June 30, 2022, the inventory with a book value of RMB 35,797,443.87 (December 31, 2021: RMB 35,797,443.87) was formed by capitalization of borrowing costs.

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

□Applicable √Not applicable

Other notes:

√Applicable □Not applicable

Inventory-Development Cost		Unit: RMB-yuan	Currency: RMB	
Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Haicheng Phase I Business Street	67,907,950.27	-	-	67,907,950.27
Haicheng Phase II Business Street	279,215,977.14	68,749,158.36	292,189,490.03	55,775,645.47
Total	347,123,927.41	68,749,158.36	292,189,490.03	123,683,595.74

Inventory-Developed Products		Unit: RMB-yuan	Currency: RMB		
Item	Opening balance	Increase in the current period	Delivered during current reporting period	Other transfer-out	Closing balance
Haicheng Phase I Business Street	915,616,130.79	90,000.00	-	-	915,706,130.79
Haicheng Phase II Business Street	-	292,189,490.03	153,848,894.15	-	138,340,595.88
Shuangchuang Building	12,944,906.52	-	1,405,473.53	11,539,432.99	-
Total	928,561,037.31	292,279,490.03	155,254,367.68	11,539,432.99	1,054,046,726.67

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
To-be-deducted input tax	161,704,695.57	234,080,141.55
Contract acquisition cost	9,594,785.76	7,629,349.00
To-be-certified input tax	3,927,978.21	4,357,934.03
Entrusted loans to the market traders	2,110,199.39	2,780,294.82
Less: bad debt provision for entrusted loans	-185,500.00	-185,500.00
Total	177,152,158.93	248,662,219.40

Other notes:

Nil

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

Applicable Not applicable

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

Applicable Not applicable

(3). Provision for impairment

Applicable Not applicable

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	
Financial assistance receivable from joint ventures	262,871,244.84	-	262,871,244.84	214,752,001.51	-	214,752,001.51	
Guarantee deposit	7,663,087.46	-	7,663,087.46	7,555,361.89	-	7,555,361.89	
Total	270,534,332.30	-	270,534,332.30	222,307,363.40	-	222,307,363.40	/

(2) Bad debt provisionApplicable 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
		Additional investment	Decrease in investment	Investment gains or losses recognized with the equity method	Adjustment of other comprehen sive income	Declared a cash dividend or profit		
1. Joint ventures								
Yiwu Shanglv	383,668,354.21	-	-	6,573,467.38	-	-	390,241,821.59	-
Yiwu Rongshang Property	217,387,537.94	-	-	473,231,114.45	-	580,865,600.00	109,753,052.39	-
Yiwu Chuangcheng Property	88,063,325.80	-	-	107,911,035.49	-	60,000,000.00	135,974,361.29	-
Others	60,140,520.92	-	-	14,358,584.28	-	-	74,499,105.20	3,327,216.16
Sub-total	749,259,738.87	-	-	602,074,201.60	-	640,865,600.00	710,468,340.47	3,327,216.16
2. Associates								
Huishang Micro-finance	82,824,696.64	-	-	1,060,693.70	-	-	83,885,390.34	-
Huishang Redbud equity	70,996,992.21	-	-	-3,372,135.02	-	-	67,624,857.19	-
Chouzhou Financial Lease	426,020,849.24	-	-	35,669,149.76	-	-	461,689,999.00	-
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	459,281,437.25	-	-	9,866,449.40	-	88,200,000.00	380,947,886.65	-
CCCP	2,756,938,444.33	-	-	101,323,992.37	-	-	2,858,262,436.70	-
Yiwu Hongyi Equity Investment Fund	887,872,262.46	-	-	7,460,777.81	-78,548.99	-	895,254,491.28	-

Partnership (limited partnership)								
Others	239,669,479.00	20,118,692.20	24,500,000.00	-5,209,185.36		13,845,353.06	216,233,632.78	-
Sub-total	5,036,030,769.35	20,118,692.20	24,500,000.00	146,799,742.66	-78,548.99	102,045,353.06	5,076,325,302.16	9,508,049.22
Total	5,785,290,508.22	20,118,692.20	24,500,000.00	748,873,944.26	-78,548.99	742,910,953.06	5,786,793,642.63	12,835,265.38

Other statements

Provision for impairment of long-term equity investment:

Unit: RMB

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

Note 1: In 2017, CCCF, a wholly-owned subsidiary of the Group, and Shanghai Fuxing Industrial Group Co., Ltd. (hereinafter referred to as "Fuxing") jointly established Industrial Fund Yiwu China Commodities City Fuxing Investment Center (LLP) (hereinafter referred to as the "Funds of Funds"), the Fund of Funds has invested in 12 sub-funds including Yiwu Shangfu Chuangzhi Investment Center (LLP) (hereinafter referred to as "Shangfu Chuangzhi Fund"). CCCF, as a limited partner, subscribed RMB 998 million in the FOF, accounting for 49.9% of the subscribed capital. The paid-in capital was RMB 102.92 million, and there is no deadline for the payment for the unpaid capital contribution. The other limited partner of the FOF is Fuxing. CCCF also contributed RMB 9.8 million, 49% of total shares, to jointly establish Yiwu China Commodities City Investment Management Co., Ltd. (hereinafter referred to as "CCCIM") with Fuxing as the general partner of the above-mentioned FOF and sub-funds. The FoF and CCCIM are both under the control of Fuxing and are associates of CCCF. The above paid-in capital contribution made by CCCF to the FoF has been contributed to Shangfu Chuangzhi Fund together with the capital contribution of Fuxing to the FoF through the FoF as a limited partner. With the capital contribution from the FoF as a limited partner and CCCF's capital contribution to Shangfu Chuangzhi Fund as a limited partner, Shangfu Chuangzhi Fund made capital contribution of RMB820.54million to subscribe for the increase in the registered capital of Hubei Provincial Asset Management Co., Ltd. to acquire 22.667% equity therein.

In 2018, CCCF learned during its after-investment follow-up management that Fuxing and its actual controller ZHU Yidong were suspected of having committed a criminal offense and the 22.667% equity held by Shangfu Chuangzhi Fund in Hubei Provincial Asset Management Co., Ltd. was frozen by the Public Security Bureau of Shanghai due to Fuxing's contribution to the sources of the capital contribution. The Group believes that, on June 30, 2022, the Group's investment in the Fund of Funds and Shangfu Chuangzhi Fund was non-related to Fuxing's investment, and there was no indication of impairment of the underlying assets. Although they were still frozen, they had no effect on 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.	538,083,278.52	642,187,968.77
Total	538,083,278.52	642,187,968.77

(2). Non-trading equity instruments investment

□Applicable √Not applicable

Other notes:

□Applicable √Not applicable

19. Other non-current financial assets

√Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Unlisted equity investment	213,607,388.98	213,607,388.98
PE investment	1,319,445,253.54	1,263,329,797.13
NEEQ equity investment	40,035,175.00	47,882,069.30
Total	1,573,087,817.52	1,524,819,255.41

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	3,062,389,558.31	438,760,984.63	3,501,150,542.94
2. Increase in the current period	8,520,184.69	3,019,248.30	11,539,432.99
(2) Inventory\fixed assets\construction in progress changed into property investment	8,520,184.69	3,019,248.30	11,539,432.99
3. Decrease in the current period	4,183,242.35	-	4,183,242.35
(2) Other changeover	4,183,242.35	-	4,183,242.35
4. Closing balance	3,066,726,500.65	441,780,232.93	3,508,506,733.58
II. Accumulated depreciation and accumulated amortization			
1. Opening balance	445,818,997.23	81,395,145.25	527,214,142.48
2. Increase in the current period	59,202,855.19	5,636,528.26	64,839,383.45
(1) Provision or amortization	59,202,855.19	5,636,528.26	64,839,383.45
3. Decrease in the current period	-	-	-
4. Closing balance	505,021,852.42	87,031,673.51	592,053,525.93
III. Depreciation provision			
1. Opening balance	-	-	-
4. Closing balance	-	-	-
IV. Book value			
1. Closing book value	2,561,704,648.23	354,748,559.42	2,916,453,207.65

2. Opening book value	2,616,570,561.08	357,365,839.38	2,973,936,400.46
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(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
Office building of the auxiliary project in western Yiwu	99,404,674.81	Completion settlement not completed
Total	99,404,674.81	

Other statements

√Applicable □Not applicable

On June 30, 2022, amount of the the investment real estate for which the property right certificate has not yet been obtained was RMB 99,404,674.81.

21. Fixed assets

Presentation of items

√Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Fixed assets	4,862,726,129.51	5,078,590,929.75
Total	4,862,726,129.51	5,078,590,929.75

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	7,561,987,149.45	3,867,198,470.98	13,325,615.62	11,442,511,236.05
2. Increase in the current period	-	4,230,732.51	57,522.12	4,288,254.63
(1) Purchase	-	3,773,750.97	57,522.12	3,831,273.09
(2) Changeover from construction in progress	-	456,981.54	-	456,981.54
3. Decrease in the current period	42,100,173.18	6,963,910.64	998,753.63	50,062,837.45
(1) Disposal or retirement	-	6,963,910.64	998,753.63	7,962,664.27
(2) Other changeover	42,100,173.18	-	-	42,100,173.18
4. Closing balance	7,519,886,976.27	3,864,465,292.85	12,384,384.11	11,396,736,653.23
II. Accumulated depreciation				
1. Opening balance	2,729,655,577.54	3,154,632,991.35	8,468,269.56	5,892,756,838.45
2. Increase in the current period	142,055,011.31	36,414,826.05	552,993.28	179,022,830.64
(1) Provision	142,055,011.31	36,414,826.05	552,993.28	179,022,830.64
3. Decrease in the current period	2,010,522.58	6,056,354.13	865,736.51	8,932,613.22
(1) Disposal or retirement	-	6,056,354.13	865,736.51	6,922,090.64
(2) Other changeover	2,010,522.58	-	-	2,010,522.58
4. Closing balance	2,869,700,066.27	3,184,991,463.27	8,155,526.33	6,062,847,055.87

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	4,179,023,442.15	679,473,829.58	4,228,857.78	4,862,726,129.51
2. Opening book value	4,361,168,104.06	712,565,479.63	4,857,346.06	5,078,590,929.75

(2). Temporarily idle fixed assets

Applicable Not applicable

(3). Fixed assets leased in through financial lease

Applicable Not applicable

Unit: RMB

Item	Original book value	Accumulated depreciation	Impairment provision	Book value
General equipment	6,084,431.99	5,841,054.71	-	243,377.28

(4). Fixed assets leased out through operating lease

Applicable Not applicable

(5). Fixed assets for which the ownership certificates have not been obtained

Applicable Not applicable

Unit: RMB

Item	Book value	Reasons for having not obtained the ownership certificate
Huangyuan Clothing Market	252,052,729.34	Completion settlement not completed
CCC Hotel	52,701,193.94	Completion settlement not completed
Liaoning Xiliu Yiwu China Commodities City	357,262,319.84	Completion settlement not completed
The hotel as a supporting work for Liaoning Xiliu Yiwu China Commodities City	456,499,084.67	Completion settlement not completed
Total	1,118,515,327.79	

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, 2022, the amount of fixed assets for which the property right certificate has not yet been obtained due to the pending final settlement was RMB 1,118,515,327.79.

Disposal of fixed assets

Applicable Not applicable

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

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Construction in progress	1,698,097,157.31	1,090,577,963.27
Total	1,698,097,157.31	1,090,577,963.27

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
West Yiwu International Means of Production Market Auxiliary Project	191,458,192.21	-	191,458,192.21	212,637,292.78	-	212,637,292.78
Liaoning Xiliu Yiwu China Commodities City Commerce Phase I Project—Hotel Project	32,290,506.33	-4,635,059.96	27,655,446.37	32,290,506.33	-4,635,059.96	27,655,446.37
The Zhimei Dachen tourism project	60,751,584.47	-	60,751,584.47	58,285,106.90	-	58,285,106.90
The Chian West Sea tourism project	70,446,792.08	-	70,446,792.08	68,040,671.22	-	68,040,671.22
The Yiwu Comprehensive Bonded Zone Project	916,476,466.50	-	916,476,466.50	357,114,238.02	-	357,114,238.02
Zone II East Parking Lot Project	218,439,962.05	-	218,439,962.05	276,099,117.75	-	276,099,117.75
Yiwu Digital Trade Industrial Park	86,829,745.85	-	86,829,745.85	60,070,777.68	-	60,070,777.68
Logistics Park S2	83,067,635.14	-	83,067,635.14	-	-	-
Other projects	42,971,332.64	-	42,971,332.64	30,675,312.55	-	30,675,312.55
Total	1,702,732,217.27	-4,635,059.96	1,698,097,157.31	1,095,213,023.23	-4,635,059.96	1,090,577,963.27

(2). Changes to important construction in progress during the current period

√Applicable □Not applicable

Unit: RMB10,000

Item	Budget	Opening amount Balance	Increase in the current period	Amount changed into fixed assets	Other decrease in the current period	Closing amount Balance	Ratio of accumulated investment to budget (%)	Progress of project	Accumulated capitalized interest	In which: capitalized interest in the current period	Interest capitalization ratio for the current period (%)	Source of funds
West Yiwu International Means of Production Market Auxiliary Project	133,916.00	21,263.73	-	-	2,117.91	19,145.82	83.76	Under construction	9,938.28	-	-	Self-owned/financing
Liaoning Xiliu Yiwu China Commodities City Commerce Phase I Project—Hotel Project	180,000.00	3,229.05	-	-	-	3,229.05	96.32	Shutdown	154.61	-	-	Self-owned/financing
The Zhimei Dachen tourism project	6,000.00	5,828.51	246.65	-	-	6,075.16	101.25	Under construction	-	-	-	Self-owned
The Chian West Sea tourism project	8,000.00	6,804.07	240.61	-	-	7,044.68	88.06	Under construction	-	-	-	Self-owned
The Yiwu Comprehensive Bonded Zone Project	624,250.00	35,711.42	55,936.22	-	-	91,647.64	76.93	Under construction	-	-	-	Self-owned
Zone II East Parking Lot Project	60,706.00	27,609.91	-	-	5,765.91	21,844.00	46.37	Acceptance	-	-	-	Self-owned
Yiwu Digital Trade Industrial Park	39,579.00	6,007.08	2,675.90	-	-	8,682.98	21.94	Under construction	-	-	-	Self-owned

Logistics Park S2	108,683.00	-	8,306.76	-	-	8,306.76	7.64	Under construction	-	-	-	Self-owned
Other projects		3,067.53	1,275.30	45.70	-	4,297.13	-	Under construction	-	-	-	Self-owned
Total	1,161,134.00	109,521.30	68,681.44	45.70	7,883.82	170,273.22	/	/	10,092.89	-	/	/

(3). Provision made for the impairment of construction in progress in the current period

Applicable Not applicable

Other statements

Applicable Not applicable

The impairment value of the project under construction is RMB 4,635,059.96, which is the provision impairment of Liaoning Xiliu Yiwu China Commodities City Commerce Phase I Project—Hotel Project.

Construction materials

Applicable Not applicable

23. Productive biological assets Productive biological assets

Productive biological asset measured by cost

Applicable Not applicable**(1). Productive biological asset measured by fair value**Applicable Not applicable

Other statements

Applicable Not applicable**(2). Productive biological asset measured by cost**Applicable Not applicable**24. Oil and gas assets**Applicable Not applicable**25. Right-of-use assets**Applicable Not applicable

Unit: RMB

Item	Buildings and structures	Land	Total
I. Original book value			
1. Opening balance	128,748,477.02	125,879,033.69	254,627,510.71
4. Closing balance	128,748,477.02	125,879,033.69	254,627,510.71
II. Accumulated depreciation			
1. Opening balance	21,694,272.46	7,586,161.11	29,280,433.57
2. Increase in the current period	8,287,864.11	5,801,157.21	14,089,021.32
(1) Provision	8,287,864.11	5,801,157.21	14,089,021.32
4. Closing balance	29,982,136.57	13,387,318.32	43,369,454.89
III. Depreciation provision			
1. Opening balance	-	-	-
4. Closing balance	-	-	-
IV. Book value			
1. Closing book value	98,766,340.45	112,491,715.37	211,258,055.82
2. Opening book value	107,054,204.56	118,292,872.58	225,347,077.14

Other notes:

Nil

26. Intangible assets**(1). Overview of intangible assets**Applicable Not applicable

Unit: RMB

Item	Land use right	Software	Total
I. Original book value			
1. Opening balance	5,620,777,656.44	72,090,272.16	5,692,867,928.60
2. Increase in the current period	264,349,500.00	543,574.26	264,893,074.26
(1) Purchase	264,349,500.00	543,574.26	264,893,074.26
3. Decrease in the current period	-	-	-
4. Closing balance	5,885,127,156.44	72,633,846.42	5,957,761,002.86
II. Accumulated amortization			
1. Opening balance	1,642,066,103.72	7,237,162.53	1,649,303,266.25
2. Increase in the current period	73,257,337.22	2,612,881.03	75,870,218.25
(1) Provision	73,257,337.22	2,612,881.03	75,870,218.25
3. Decrease in the current period	-	-	-
4. Closing balance	1,715,323,440.94	9,850,043.56	1,725,173,484.50
III. Depreciation provision			
1. Opening balance	-	-	-
4. Closing balance	-	-	-
IV. Book value			
1. Closing book value	4,169,803,715.50	62,783,802.86	4,232,587,518.36
2. Opening book value	3,978,711,552.72	64,853,109.63	4,043,564,662.35

At the end of the period, the percentage of the intangible assets formed through the Company's internal research and development in the balance of intangible assets was 0.75%

(2). **Land use right for which the ownership certificate has not been obtained**

Applicable Not applicable

Other notes:

Applicable Not applicable

27. Development expenses

Applicable Not applicable

Unit: RMB

Item	Opening amount Balance	Increase in the current period	Decrease in the current period	Closing amount Balance
		Internal development expenditure	Recognized as intangible assets	
The development project for platform "chinagoods"	6,359,814.02	12,325,510.03	-	18,685,324.05
Total	6,359,814.02	12,325,510.03	-	18,685,324.05

Other notes:

Nil

28. Goodwill

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

Applicable Not applicable

(2). Provision for goodwill impairment

Applicable Not applicable

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

Applicable Not applicable

(4). Goodwill impairment test process, key parameters (e.g. growth rate in the forecast period, growth rate in the stable period, profit margin, discount rate, forecast period for the estimate of present value of future cash flows, if applicable) and recognition of goodwill impairment loss

Applicable Not applicable

(5). Impact of goodwill impairment test

Applicable Not applicable

Other 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	174,871,839.30	-	13,593,423.11	161,278,416.19
Advertising facilities	13,312,537.13	9,469,811.06	8,472,802.77	14,309,545.42
Total	188,184,376.43	9,469,811.06	22,066,225.88	175,587,961.61

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	14,868,883.20	3,717,220.80	18,766,810.88	4,691,702.72
Unrealized profits of internal transactions	1,094,793.12	273,698.28	1,094,793.10	273,698.28
Deductible losses	9,544,749.40	2,386,187.35	10,635,059.71	2,658,764.93
Recognized but unpaid liabilities	269,749,328.20	67,437,332.05	359,852,941.25	89,963,235.31
Overspent advertising cost	8,497,106.53	2,124,276.63	8,497,106.53	2,124,276.63
Changes in the fair value of other non-current financial assets	97,265,682.48	24,316,420.62	87,763,868.16	21,940,967.04
Change in fair value of other equity instruments investment	15,542,152.48	3,885,538.12	-	-

Changes in fair value of trading financial assets	1,654,920.00	413,730.00	-	-
Right-of-use assets and lease liabilities	4,575,914.17	1,143,978.54	3,291,235.93	822,808.98
Asset-related government grants	79,879,800.00	19,969,950.00	53,046,300.00	13,261,575.00
Total	502,673,329.58	125,668,332.39	542,948,115.56	135,737,028.89

(2). Deferred income tax liabilities having not been offset√Applicable Not applicable

Unit: RMB

Item	Closing balance		Opening balance	
	Taxable temporary difference	Deferred income tax Debt	Taxable temporary difference	Deferred income tax Debt
Asset evaluation appreciation for merger of the enterprises not under common control	785,231.24	196,307.81	879,727.84	219,931.94
Change in fair value of other equity instruments investment	-	-	88,562,537.79	22,140,634.45
Changes in fair value of other non-current financial assets	357,882,702.12	89,470,675.53	357,773,989.10	89,443,497.28
Changes in fair value of trading financial assets	-	-	373,599.00	93,399.75
Total	358,667,933.36	89,666,983.34	447,589,853.73	111,897,463.42

(3). Deferred income tax assets or liabilities presented in net amount after offsettingApplicable Not applicable**(4). Breakdown of unrecognized deferred income tax assets**√Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Deductible temporary difference	477,308,792.73	485,392,932.16
Deductible losses	951,481,265.31	1,090,714,817.48
Total	1,428,790,058.04	1,576,107,749.64

(5). The deductible loss in unrecognized deferred income tax assets will be due in the following years√Applicable Not applicable

Unit: RMB

Year	Closing amount	Opening amount	Remarks
2022		245,346,275.18	
2023	145,652,609.01	145,652,609.01	
2024	177,875,157.18	219,603,443.50	
2025	286,076,024.63	236,606,485.47	
2026	257,575,644.11	243,506,004.32	
2027	84,301,830.38		
Total	951,481,265.31	1,090,714,817.48	/

Other notes:

√Applicable Not applicable

The Group believes that, the deductible temporary differences including the aforementioned provision for asset impairment and the deductible losses of some subsidiaries can be deducted in the foreseeable future, and it is expected that the Group will have sufficient pre-tax profit for deduction during the reversing period. Therefore, the Group deemed it necessary to recognize the above deferred income tax assets.

31. Other non-current assets

Applicable Not applicable

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Prepaid land transfer fees	138,253,316.00	-	138,253,316.00	138,253,316.00	-	138,253,316.00
Prepaid equity transfer consideration	67,395,000.00	-	67,395,000.00	67,395,000.00	-	67,395,000.00
Prepayment for renovation works and prepaid decoration rent	10,172,014.19	-	10,172,014.19	5,681,334.45	-	5,681,334.45
Total	215,820,330.19	-	215,820,330.19	211,329,650.45	-	211,329,650.45

Other notes:

Nil

32. Short-term borrowings

(1). Classification of short-term borrowings

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Credit loans	587,435,842.88	942,736,046.04
Total	587,435,842.88	942,736,046.04

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, 2022, the annual interest rate of the above-mentioned short-term financing bonds was 1.20%-4.151% (December 31, 2021: 1.20%-3.915%).

33. Held-for-trading financial liabilities

Applicable Not applicable

34. Derivative financial liabilities

Applicable Not applicable

35. Notes payable

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	145,560,620.49	301,995,294.63
Trade payables	67,636,814.13	72,330,560.78
Accounts payable for real estate projects	29,122,613.44	33,317,557.65
Accounts payable for procurement for the hotel project	23,879,296.10	58,722,226.25
Others	27,345,393.47	26,994,789.71
Total	293,544,737.63	493,360,429.02

(2). Important accounts payable with age over 1 year√Applicable Not applicable

Unit: RMB

Item	Closing balance	Reasons for not being paid or carried forward
Accounts payable for real estate projects	8,192,556.44	Settlement has not been completed or the projects are within the warranty periods
Total	8,192,556.44	/

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
Rental advances	112,065,459.59	142,605,296.83
Others	1,285,875.01	10,961,014.30
Total	113,351,334.60	153,566,311.13

(2). Important advances with the age over 1 yearApplicable √Not applicable**Other notes:**√Applicable Not applicable

As the advances from customers are mainly derived from the advance rents of auxiliary housing businesses and investment real estate, with small individual amount. As of June 30, 2022, there were no individual large-sum advances from customers with an age of more than 1 year.

38. Contract liabilities**(1). Overview of contract liabilities**√Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Advances from customers for use fee of shops	1,910,279,223.75	2,996,965,006.91

Advances from customers for goods	616,544,490.17	762,448,893.76
Advances from customers for advertising fee	47,615,087.77	66,129,057.15
Advances from customers for housing purchase	35,288,216.69	178,756,399.38
Advances from customers for use fee of networking cables	12,201,321.47	14,150,457.59
Advances from customers for loyalty offbrands	9,544,302.02	17,997,985.07
Others	19,107,986.34	21,971,424.98
Total	2,650,580,628.21	4,058,419,224.84

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

Applicable Not applicable

Other notes:

Applicable Not applicable

39. Payroll payable**(1). Presentation of payroll payable**

Applicable Not applicable

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Short-term compensation	241,452,764.09	196,297,946.47	275,786,328.50	161,964,382.06
II. Post employment benefits – defined contribution plan	2,511,991.29	13,868,164.08	13,817,087.12	2,563,068.25
III. Severance benefits	-	480,262.75	480,262.75	-
Total	243,964,755.38	210,646,373.30	290,083,678.37	164,527,450.31

(2). Presentation of short-term compensation

Applicable Not applicable

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
1. Salary, bonus, allowance and subsidy	240,122,029.99	155,887,390.99	235,995,029.80	160,014,391.18
2. Employee benefits	-	15,580,447.03	15,580,447.03	-
3. Social security contribution	1,238,946.85	8,238,165.65	8,217,640.85	1,259,471.65
In which: contribution to medical insurance scheme	1,101,887.73	7,988,874.04	7,968,306.72	1,122,455.05
Contribution to work-related injury insurance scheme	28,926.87	219,689.68	219,732.20	28,884.35
Contribution to maternity insurance scheme	108,132.25	29,601.93	29,601.93	108,132.25
4. Housing provident fund	79,760.00	11,878,190.00	11,882,680.00	75,270.00
5. Contribution to trade union fund and employee education fund	12,027.25	4,713,752.80	4,110,530.82	615,249.23
Total	241,452,764.09	196,297,946.47	275,786,328.50	161,964,382.06

(3). Presentation of defined contribution plan

Applicable Not applicable

Unit: RMB

Item	Opening	Increase in the	Decrease in the	Closing
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	balance	current period	current period	balance
1. Contribution to the basic endowment insurance scheme	2,342,403.40	13,390,310.31	13,342,873.39	2,389,840.32
2. Contribution to the unemployment insurance scheme	169,587.89	477,853.77	474,213.73	173,227.93
Total	2,511,991.29	13,868,164.08	13,817,087.12	2,563,068.25

Other notes:

Applicable Not applicable

40. Tax payable

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
VAT	1,193,620.15	83,766,540.18
Business tax	-240,013.55	-240,013.55
Corporate income tax	39,307,142.15	279,485,623.04
Individual income tax	1,205,750.34	1,260,803.19
Urban maintenance and construction tax	180,463.36	4,687,093.90
Land appreciation tax	365,427.14	2,780,327.20
Real estate tax	123,041,645.28	171,138,711.99
Land use tax	3,722,494.45	10,612,069.24
Others	2,094,497.36	6,005,392.15
Total	170,871,026.68	559,496,547.34

Other notes:

On 30 June 2022, the details of the main taxes prepaid by the Group are as follows: Unit: Yuan
Currency: RMB

Item	Qiantang Impression Real Estate Project	Occident Center Real Estate Project	Total amount of prepaid tax
Business tax	240,013.55	-	240,013.55
Urban maintenance and construction tax	-	731,793.32	731,793.32
Education surcharge and local education surcharge	-	522,709.51	522,709.51
Total	240,013.55	1,254,502.83	1,494,516.38

41. Other payables

Presentation of items

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Other payables	1,326,087,294.15	1,908,742,835.15
Total	1,326,087,294.15	1,908,742,835.15

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	494,889,933.85	598,819,336.72
Operating expenses payable	323,542,897.12	268,576,640.89
Pending investment refunds	341,626,983.00	877,464,692.76
Restricted equity incentive plan	137,440,900.00	137,440,900.00
Yiwugou's bank reserve fund	27,383,673.11	25,823,767.03
Others	1,202,907.07	617,497.75
Total	1,326,087,294.15	1,908,742,835.15

(2). Important other payables with account age over 1 yearApplicable 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, 2022, there were no important other payables with an aging of more than 1 year.

42. Held-for-sale liabilitiesApplicable Not applicable**43. Non-current liabilities due within one year**√Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Long-term borrowings within 1 year	400,542,263.88	100,918,614.59
Bonds payable due within 1 year	2,786,881,248.24	3,552,960,829.66
Lease liabilities due within 1 year	17,443,848.41	10,362,478.83
Total	3,204,867,360.53	3,664,241,923.08

Other notes:

Nil

44. Other current liabilities

√Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Short-term financing notes payable	4,054,395,271.83	3,009,756,921.11
To-be-reported output tax	8,062,393.84	67,323,844.72
Dividend announced but not collected before listing	2,083,112.65	2,083,112.65
Dividend payable to to-be-recognized accounts	2,449,697.11	2,220,922.02
Total	4,066,990,475.43	3,081,384,800.50

Changes in short-term bonds payable:

√Applicable □Not applicable

Unit: RMB

Bond Name	Face value	Issuing Date	Bond Term	Issuing Amount	Opening Balance	Current period Issuing	Interest accrued based on face value	Premium/discount amortization	Current period Repayment	Closing Balance
Super-short-term commercial paper	100	Jun 29, 2022	30 days	1,000,000,000.00	-	1,000,000,000.00	120,547.95	6,570.34	-	1,000,043,784.96
Super-short-term commercial paper	100	Nov 30, 2021	269 days	1,000,000,000.00	1,001,845,680.63	-	17,927,671.23	591,909.75	-	1,017,786,509.71
Super-short-term commercial paper	100	Nov 15, 2021	279 days	1,000,000,000.00	1,003,076,172.00	-	16,573,150.68	633,333.33	-	1,016,456,484.01
Super-short-term commercial paper	100	Oct 27, 2021	268 days	1,000,000,000.00	1,004,835,068.48	-	20,166,027.40	676,712.33	-	1,020,108,493.15
Total	/	/	/	4,000,000,000.00	3,009,756,921.11	1,000,000,000.00	54,787,397.26	1,908,525.75	-	4,054,395,271.83

Other notes:

√Applicable □Not applicable

As of June 30, 2022, the annual interest rate of the above-mentioned short-term financing bonds was 2.20%-2.98% (December 31, 2021: 2.48%-2.98%).

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

Unit: RMB

Item	Closing balance	Opening balance
Credit loans	204,500,000.00	771,250,000.00
Total	204,500,000.00	771,250,000.00

Notes on the classification of long-term borrowings:

Nil

Other notes, including the interest rate range:

√Applicable Not applicable

On June 30, 2022, the annual interest rate of the above borrowing was 2.70%(December 31, 2021: 2.70%-3.92%).

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

Unit: RMB

Item	Closing balance	Opening balance
MTN	1,514,288,084.70	-
Total	1,514,288,084.70	-

(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	Due within one year at the beginning of the period	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	Mar 29, 2022	3Y	500,000,000.00	-	-	500,000,000.00	4,548,082.19	49,161.35	-	-	503,997,243.54
MTN	100	Feb 24, 2022	3Y	1,000,000,000.00	-	-	1,000,000,000.00	11,357,260.27	133,580.89	-	-	1,010,290,841.16
MTN	100	Oct 21, 2019	3Y	1,000,000,000.00	-	1,007,406,483.12	-	19,686,849.32	194,533.53	-	1,027,287,865.97	-
MTN	100	Jul 15, 2019	3Y	1,000,000,000.00	-	1,018,263,552.02	-	19,786,027.39	194,569.98	-	1,038,244,149.39	-
Corporate bonds	100	Sep 25, 2019	3Y	700,000,000.00	-	707,499,013.70	-	13,850,219.18	-	-	721,349,232.88	-
Corporate bonds	100	Jun 5, 2019	3Y	800,000,000.00	-	819,791,780.82	-	14,608,219.18	-	834,400,000.00	-	-
Total	/	/	/	5,000,000,000.00	-	3,552,960,829.66	1,500,000,000.00	83,836,657.53	571,845.75	834,400,000.00	2,786,881,248.24	1,514,288,084.70

(3). Conditions and time for the conversion of convertible corporate bondsApplicable Not applicable**(4). Notes on other financial instruments classified as financial liabilities**

Basic information of other financial instruments such as preferred shares and perpetual bonds outstanding at the end of the reporting period

Applicable Not applicable

Changes in other financial instruments such as preferred shares and perpetual bonds outstanding at the end of the reporting period

Applicable Not applicable

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	333,582,940.05	334,659,632.28
Unrecognized financing charges	-112,536,565.67	-118,354,479.52
Lease liabilities due within 1 year	-17,443,848.41	-10,362,478.83
Total	203,602,525.97	205,942,673.93

Other notes:

Note: The Group uses the incremental borrowing rate of 2.78%-8.01% as the discount rate to calculate book value to determine the lease liability and measure right-of-use assets.

48. Long-term accounts payable**Presentation of items**

□Applicable √Not applicable

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 Apr 30, 2018, the Group lost control over the subsidiary due to its disposal of some equity in the subsidiary. As of June 30, 2022, the matter was under processing.

51. Deferred income

Overview of deferred income

√Applicable □Not applicable

Unit: RMB-yuan

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Cause of formation
Asset-related government grants	78,170,103.62	26,833,500.00	710,736.84	104,292,866.78	
Income-related government grants	-	2,000,000.00	2,000,000.00	-	
Total	78,170,103.62	28,833,500.00	2,710,736.84	104,292,866.78	/

Items involving government grants:

Applicable Not applicable

Unit: RMB

Liability item	Opening balance	Increase in grant amount in the current period	Amount recognized in other income in the current period	Closing balance	Asset-related or income-related
Subsidy for service industry cluster project	5,243,445.95	-	133,333.32	5,110,112.63	Asset-related
Interest subsidy for the international exhibition center construction fund	19,880,357.67	-	577,403.52	19,302,954.15	Asset-related
Subsidy for Yiwu Comprehensive Bonded Zone Project	53,046,300.00	26,833,500.00	-	79,879,800.00	Asset-related
Subsidy for construction and operation of credit data center in Yiwu Credit Center	-	2,000,000.00	2,000,000.00	-	Income-related

Other notes:

Applicable Not applicable**52. Other non-current liabilities**Applicable Not applicable**53. Capital stock**Applicable Not applicable

Unit: RMB

	Opening balance	Increase or decrease in the current period (+, -)					Closing balance
		Issuing New shares	Bonus shares	Provident funds Conversion into shares	Others	Sub-total	
Total number of shares	5,491,274,176.00	-	-	-	-	-	5,491,274,176.00

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)	1,559,964,197.11	-	-	1,559,964,197.11
Equity incentive	33,414,344.66	16,414,582.49	-	49,828,927.15
Other capital reserve	38,130,573.19	-	-	38,130,573.19
Total	1,631,509,114.96	16,414,582.49	-	1,647,923,697.45

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

The increase in capital reserve - stock ownership incentives during the reporting period was due to the Company's recognition on the share payment fee of RMB 16,414,582.49 during the waiting period, which was included in this item accordingly.

56. Treasury shares

√Applicable □Not applicable

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Restricted equity incentive plan	137,494,800.00	-	-	137,494,800.00
Total	137,494,800.00	-	-	137,494,800.00

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

Nil

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 profit or loss	66,421,903.33	-104,104,690.25	-26,026,172.56	-78,078,517.69	-11,656,614.36
Change in fair value of other equity instruments investment	66,421,903.33	-104,104,690.25	-26,026,172.56	-78,078,517.69	-11,656,614.36
II. Other comprehensive income to be reclassified into profit or loss	-5,571,168.31	10,560,082.25	-	10,560,082.25	4,988,913.94
Other comprehensive income that can be transferred into profit and loss under equity method	-	-78,548.99	-	-78,548.99	-78,548.99
Difference arising from the translation of foreign currency	-5,571,168.31	10,638,631.24	-	10,638,631.24	5,067,462.93

financial statements					
Total other comprehensive income	60,850,735.02	-93,544,608.00	-26,026,172.56	-67,518,435.44	-6,667,700.42

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	1,453,325,098.91	-	-	1,453,325,098.91
Discretionary surplus reserve	40,195,855.68	-	-	40,195,855.68
Others	11,688,840.91	-	-	11,688,840.91
Total	1,505,209,795.50	-	-	1,505,209,795.50

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	6,059,496,846.85	5,168,298,206.50
Undistributed profits after adjustment at the beginning of the later period after adjustment	6,059,496,846.85	5,168,298,206.50
Plus: net profits attributable to shareholders of the parent company in the current period	1,222,205,978.81	1,334,095,906.95
Less: withdrawal of statutory surplus reserve	-	140,951,986.92
Common share dividend payable	400,863,014.85	301,945,279.68
Closing undistributed profits	6,880,839,810.81	6,059,496,846.85

Details of the adjustment of opening undistributed profits:

1. The opening undistributed profits affected by the retroactive adjustment made in accordance with the Accounting Standards for Enterprises and related new provisions amounted to RMB0.
2. The opening undistributed profits affected by the changes in accounting policies amounted to RMB0.
3. The opening undistributed profits affected by the correction of major accounting errors amounted to RMB0.
4. The opening undistributed profits affected by changes in the scope of mergers caused by common control amounted to RMB0.
5. The opening undistributed profits affected by other adjustments together amounted to RMB0.

61. Operating revenue and operating cost

(1). Overview of operating revenue and operating cost

Applicable Not applicable

Unit: RMB

Item	Amount in the current period		Amount in the previous period	
	Revenue	Cost of sales	Revenue	Cost of sales
Main business	4,047,360,914.45	3,106,283,447.96	1,877,033,846.97	863,801,815.15

Other businesses	159,666,702.01	53,014,698.81	195,593,880.03	61,608,810.26
Total	4,207,027,616.46	3,159,298,146.77	2,072,627,727.00	925,410,625.41

(2). Revenue generated from contracts

√Applicable □Not applicable

Unit: RMB

Classified by type of contract	Total
Types of goods	
Sales of goods	2,389,696,619.19
The use of shops in the China Commodities Cities and its supporting services	1,415,709,313.01
Hotel accommodation and catering services	81,585,551.03
Revenue from use fees	32,264,049.60
Other services	176,186,354.97
Classified by business area	
Chinese mainland	4,095,441,887.80
Classified by contract period	
Revenue confirmed at a certain time point	
Sales of goods	2,389,696,619.19
Hotel catering services	47,609,814.93
Other services	170,692,124.72
Revenue confirmed during a certain period of time	
The use of shops in the China Commodities Cities and its supporting services	1,415,709,313.01
Hotel accommodation service	33,975,736.10
Revenue from use fees	32,264,049.60
Other services	5,494,230.25
Total	4,095,441,887.80

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:

Type of contract	Current Period (RMB)
Sales of goods	671,507,781.88
The use of shops in the China Commodities Cities and its supporting services	1,235,162,642.28
Hotel accommodation service	7,036,462.25
Other services	7,523,515.25
Total	1,921,230,401.66

(3). Contract performance obligations

√Applicable □Not applicable

Sales of goods

The performance obligation is fulfilled when the goods are delivered to the customer, and the contract price is collected in advance before the goods are delivered to the customer or received upon the delivery of the goods.

The use of shops in the China Commodities Cities and its supporting services

The contractual performance obligation is fulfilled when providing the use of shops in the China Commodities Cities and the supporting business services. For the use of shops in the China Commodities Cities and the business services, the progress of contract performance is determined based on the number of using days of the shops. Customers usually need to pay in advance before the use of shops in the China Commodities Cities and business services are provided.

Hotel accommodation business

The performance obligation is fulfilled when providing hotel accommodation services. For the hotel accommodation business, the progress of contractual performance is determined based on the

number of days of stay. For hotel accommodation services, a partial deposit is collected from the customer first, and the remaining contract price is usually collected upon the completion of the hotel accommodation services.

Hotel catering business

The performance obligation is fulfilled when the hotel catering services are provided. The contract price for hotel catering services is usually charged when the hotel catering services are performed.

Fixed-time paid funding services

The performance obligation is fulfilled when the fixed-time paid funding service is provided. For the fixed-time paid funding service, the progress of contractual performance is determined based on the number of using days of the fund. For the fixed-time paid funding service, the contract price is usually charged regularly as agreed in the contract.

(4). Amortization to remaining contract performance obligations

Applicable Not applicable

At the end of the reporting period, the amount of revenue corresponding to the performance obligations that have been signed but have not been performed or have not been fulfilled was RMB 2,650,580,628.21, of which: RMB 2,650,580,628.21 is expected to be recognized as revenue within 5 years

Other notes:

Nil

62. Taxes and surcharges

Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Consumption tax	121.51	-
Business tax	9,307.56	200,048.93
Urban maintenance and construction tax	847,074.98	3,687,622.46
Education surcharge	376,577.58	1,581,474.20
Real estate tax	57,303,381.47	55,296,306.71
Land use tax	939,264.19	5,387,595.00
Vehicle and vessel use tax	2,040.00	-
Stamp duty	2,342,930.19	1,421,427.19
Land appreciation tax	1,040,058.76	9,038.82
Local education surcharge	251,051.78	1,054,316.04
Cultural undertaking development fee	200,629.33	-240.00
Total	63,312,437.35	68,637,589.35

Other notes:

Nil

63. Sales expenses

Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Marketing expenses	58,838,620.46	39,083,745.14
Advertising expenses	15,210,375.07	19,829,104.82
Security and insurance expenses	13,603,561.83	11,869,661.68
Water, electricity and fuel expenses	4,108,797.27	1,946,862.81
Depreciation and amortization	59,697.22	356,584.59
Others	1,461,011.88	956,971.99
Total	93,282,063.73	74,042,931.03

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	162,048,252.07	130,142,013.05
Depreciation and amortization	41,529,941.99	20,578,214.86
Office expenses	12,478,203.63	6,488,902.87
Intermediary expenses	7,648,247.31	4,610,462.83
Travel expenses	727,343.72	2,715,004.31
Lease and property management expenses	588,747.87	1,651,675.14
Promotion and market traders introduction expenses	95,739.93	159,870.08
Others	1,454,891.75	352,743.44
Total	226,571,368.27	166,698,886.58

Other notes:

Nil

65. R&D expenses

√Applicable □Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Employee expenses	3,136,584.80	2,702,889.51
Technology R&D expenses	901,982.58	516,473.30
Depreciation and amortization	62,233.31	62,670.46
Others	1,607,246.89	1,287,105.17
Total	5,708,047.58	4,569,138.44

Other notes:

Nil

66. Financial expenses

√Applicable □Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Interest expenses	154,500,444.77	173,963,591.17
Amortization of commercial paper discount	1,969,098.85	2,406,651.36
Interest income	-89,271,567.84	-117,153,799.20
Capitalized interest	-	-17,496,623.81
Foreign exchange gains or losses	-11,023,802.13	1,986,636.12
Amortization of unrecognized financing expenses	6,001,626.16	3,190,766.38
Others	716,135.64	453,784.05
Total	62,891,935.45	47,351,006.07

Other notes:

Nil

67. Other income

√Applicable □Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
------	------------------------------	-------------------------------

Employment stabilization subsidy	2,233,836.28	23,190.40
Additional deduction of input tax	2,103,468.66	2,845,835.35
Grant for the construction and operation of the credit data center	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	131,520.00
Pilot Subsidy for Strong Counties in Service Industry	500,000.00	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	960,743.00
Subsidies for Helping Tourism Enterprises Fight Against the Pandemic and Promoting Development	390,000.00	-
Yiwu Municipal Bureau of Commerce 3-levies-3-refunds Rewards	304,461.00	-
Refund of the service charges of individual income tax	269,632.38	368,142.02
VAT reduction for the recruitment of retired soldiers finding jobs on their own	223,500.00	86,065.86
Special Incentive Fund for Modern Supply Chain System Innovation from Yiwu Bureau of Commerce for 2020	-	2,682,704.00
Award for general trading enterprises from Yiwu Municipal Bureau of Commerce	-	336,162.00
Others	1,363,373.61	534,261.97
Total	16,715,248.69	9,046,028.12

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	748,873,944.26	263,788,954.78
Investment income from disposal of held-for-trading financial assets	1,822,875.64	42,837.72
Investment income from disposal of wealth management products	26,619.73	-
Total	750,723,439.63	263,831,792.50

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	-1,667,262.00	-2,640,099.60
Other non-current financial assets	-546,331.53	3,768,691.70
Total	-2,213,593.53	1,128,592.10

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	-219,174.64	-13,408.94
Loss for bad debts of other receivables	247,110.08	-415,865.94
Total	27,935.44	-429,274.88

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	1,389.88	101,911.42
Total	1,389.88	101,911.42

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 profit or loss of nonrecurring items for the current period
Government grants	200,000.00	1,200.00	200,000.00
Incomes from liquidated damages	1,329,393.77	1,258,664.54	1,329,393.77
Others	2,488,105.92	85,788.32	2,488,105.92
Total	4,017,499.69	1,345,652.86	4,017,499.69

Government grants are recognized in the profit or loss for the current period

√Applicable □Not applicable

Unit: RMB

Grant items	Amount in the current period	Previous amount	Asset-related or income-related
Financial subsidies for the	200,000.00	-	Income-related

development of the digital entertainment industry			
Subsidy for enterprise monitoring from Choucheng Subdistrict	-	1,200.00	Income-related
Total	200,000.00	1,200.00	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 profit or loss of nonrecurring items for the current period
Total loss for disposal of non-current assets	56,100.78	791,449.35	56,100.78
Including: loss for disposal of property, plant and equipment	56,100.78	791,449.35	56,100.78
External donation	44,250.00	200,000.00	44,250.00
Others	329,652.83	129,645.09	329,652.83
Total	430,003.61	1,121,094.44	430,003.61

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	128,391,456.05	198,094,571.17
Deferred income tax expenses	13,888,013.12	14,482,195.47
Total	142,279,469.17	212,576,766.64

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

Applicable Not applicable

Unit: RMB

Item	Amount in the current period
Profits before tax	1,364,805,533.50
Income tax expenses are calculated at the statutory/applicable tax rate	341,201,383.38
Impact of different tax rates applied by subsidiaries	-717,212.41
Effect of adjusting income tax of the previous period	-26,881,684.93
Effect of non-taxable income	-810,986.38
Effect of non-deductible costs, expenses and losses	297,172.78
Effect of using deductible losses of unrecognized deferred income tax assets in the previous period	-4,666,174.80
Effect of deductible temporary differences or deductible losses of unrecognized deferred income tax assets in the current period	21,075,457.60
Profits or losses attributable to joint ventures and associates	-187,218,486.07
Income tax expenses	142,279,469.17

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
Bank deposit interest income received	89,271,567.84	117,153,799.20
Deposit and margin received	84,113,126.29	60,501,618.69
Government grants received	45,748,748.69	4,925,477.20
Bank reserve received	1,532,062.05	876,213.71
Others	2,226,957.24	2,324,227.91
Total	222,892,462.11	185,781,336.71

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
Margins paid	184,207,298.86	55,168,466.81
Fees paid	159,441,304.15	117,283,494.99
Others	3,690,541.84	2,539,651.72
Total	347,339,144.85	174,991,613.52

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 recovered from joint ventures	901,774,483.00	1,326,599,831.00
Total	901,774,483.00	1,326,599,831.00

Notes on other cash receipts relating to investing activities:

Nil

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

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Financial assistance paid for joint ventures	68,507,285.00	1,550,981,005.00
Total	68,507,285.00	1,550,981,005.00

Other cash paid related to investment activities:

Nil

(5). Other cash receipts relating to financing activities

□Applicable √Not applicable

(6). Other cash payments relating to financing activities

√Applicable □Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Minimum lease payment	11,970,676.79	-
Total	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	1,222,526,064.33	847,244,391.16
Loss of impairment of credit	-27,935.44	429,274.88
Depreciation of fixed assets, depletion of oil and gas assets and depreciation of Productive biological assets	170,090,217.42	196,630,117.97
Amortization of right-of-use assets	14,089,021.32	6,032,905.14
Amortization of intangible assets	75,870,218.25	69,599,955.30
Depreciation and amortization of investment real estate	64,839,383.45	46,300,976.88
Amortization of long-term prepaid expenses	22,066,225.88	26,371,441.78
Loss from disposal of fixed assets, intangible assets and other long-term assets (gains indicated by "-")	-1,389.88	-101,911.42
Loss from fixed assets retirement (gains indicated by "-")	56,100.78	791,449.35
Loss from changes in fair value (gains indicated by "-")	2,213,593.53	-1,128,592.10
Financial expenses (gains indicated by "-")	154,500,444.77	177,154,357.55
Investment loss (gains indicated by "-")	-776,830,272.96	-263,831,792.5
Decrease in deferred income tax assets (increase indicated by "-")	10,068,696.50	13,751,307.49
Increase in deferred income tax liabilities (decrease indicated by "-")	-22,230,480.08	-17,769,644.32
Decrease in inventory (increase indicated by "-")	-357,352,526.67	-67,724,859.66
Decrease in operating receivables (increase indicated by "-")	361,791,176.72	-1,166,423,268.81
Increase in operating payables (decrease indicated by "-")	-1,608,255,871.54	299,409,716.06
Net cash flow from operating activities	-666,587,333.62	166,735,824.75
2. Significant investing and financing activities not involving cash receipt and payment:		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	3,474,333,987.64	1,959,635,386.45
Less: opening balance of cash	4,006,468,325.47	2,032,642,871.63
Net increase in cash and cash equivalents	-532,134,337.83	-73,007,485.18

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

□Applicable ✓Not applicable

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

□Applicable ✓Not applicable

(4) Composition of cash and cash equivalents

✓Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance
I. Cash	3,474,333,987.64	4,006,468,325.47
In which: cash on hand	216,579.25	154,264.94
Bank deposit that can be used for payment at any time	3,473,985,667.17	4,006,258,722.95
Other monetary capital that can be used for payment at any time	131,741.22	55,337.58
III. Closing balance of cash and cash equivalents	3,474,333,987.64	4,006,468,325.47
Including: cash and cash equivalents with restricted use by the parent company or its subsidiaries	60.88	60.78

Other notes:

✓Applicable □Not applicable

Monetary funds with a deposit period of more than three months: Currency: RMB

Item	Closing balance	Opening balance
Negotiated deposits	1,025,000,000.00	825,000,000.00

80. Notes to items in the 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	60.88	[Note 1]
Long-term equity investment	102,918,559.00	[Note 2]
Other non-current assets	636,870,392.09	[Note 2]
Total	739,789,011.97	/

Other notes:

Note 1. As of June 30, 2022, bank deposits with a book value of RMB 60.88 (December 31, 2021: RMB 60.78) were restricted for ownership or use rights due to being as security deposits for obtaining commercial housing mortgage loans.

Note 2: As of June 30, 2022, long-term equity investments with a book value of RMB 102,918,559.00 (December 31, 2021: RMB 102,918,559.00) and other non-current assets of RMB 636,870,392.09 (December 31, 2021: RMB 636,870,392.09) were frozen by Shanghai Municipal Public Security Bureau. See Note XIV.1 Important commitments for details.

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

√Applicable □Not applicable

Item	Closing balance in foreign currency	Exchange rate	Closing balance after conversation into RMB
Cash and cash equivalents	-	-	
In which: USD	3,583,237.91	6.7114	24,048,542.92
EURO	47,668.28	7.0396	335,565.62
Dirham	98,384.15	1.8274	179,787.20
Koruna	6,205,219.26	0.2814	1,745,981.78
Accounts receivable	-	-	
In which: USD	2,745,305.09	6.7114	18,424,840.57
EURO	25,145.60	7.0396	177,014.97
Koruna	13,739,732.76	0.2814	3,865,991.21
Other receivables	-	-	
In which: USD	705,710.67	6.7114	4,736,306.59
EURO	5,100.00	7.0396	35,901.96
Koruna	13,552,906.86	0.2814	3,813,423.42
Accounts payable	-	-	
USD	1,339,696.91	6.7114	8,991,241.84
EURO	5,100.00	7.0396	35,901.96
Koruna	145,715.25	0.2814	41,000.35
Other payables	-	-	
USD	2,595,542.14	6.7114	17,419,721.52
EURO	5,125.38	7.0396	36,080.63
Koruna	8,692,963.99	0.2814	2,445,966.13

Other notes:

Nil

(2). Description of overseas operations, for important overseas operations, also includes the disclosure of principal overseas place of business, bookkeeping currency and the basis for selection, and the reason for the change in bookkeeping currency.

□Applicable √Not applicable

83. Hedging

□Applicable √Not applicable

84. Government grants**1. Overview of government grants**

√Applicable □Not applicable

Unit: RMB

Type	Amount	Presentation	Amount recognized in profit or loss for the current period
Financial subsidies for the development of the digital entertainment industry	200,000.00	Revenue from non-operating activities	200,000.00
Employment stabilization subsidy	2,233,836.28	Other income	2,233,836.28
Additional deduction of input tax	2,103,468.66	Other income	2,103,468.66
Grant for the construction and operation of the credit data center	2,000,000.00	Other income	2,000,000.00
Yiwu Municipal Bureau of Development and Reform 2021 Special Fund for Innovation and	1,800,000.00	Other income	1,800,000.00

Development Zone			
Yiwu Municipal Bureau of Commerce 2021 Export Credit Insurance Subsidy	1,527,680.00	Other income	1,527,680.00
Yiwu Municipal Bureau of Commerce Business Promotion Fund Subsidy	1,000,000.00	Other income	1,000,000.00
Market Development Committee 2021 Local Financial Policy Incentives for Encouraging E-commerce	940,693.24	Other income	940,693.24
Interest subsidy for the international exhibition center construction fund	577,403.52	Other income	577,403.52
Additional deduction of R&D input award from Yiwu Municipal Science and Technology Bureau	500,800.00	Other income	500,800.00
Pilot Subsidy for Strong Counties in Service Industry	500,000.00	Other income	500,000.00
Science and Technology Bureau Innovation Entity Creation Award	500,000.00	Other income	500,000.00
Yiwu Municipal Bureau of Commerce Promotion and Opening Rewards	480,400.00	Other income	480,400.00
Subsidies for Helping Tourism Enterprises Fight Against the pandemic and Promoting Development	390,000.00	Other income	390,000.00
Yiwu Municipal Bureau of Commerce 3-levies-3-refunds Rewards	304,461.00	Other income	304,461.00
Market Pandemic Prevention and Disinfection Subsidy	240,000.00	Other income	240,000.00
VAT reduction for the recruitment of retired soldiers finding jobs on their own	223,500.00	Other income	223,500.00
Others	1,123,373.61	Other income	1,123,373.61
Total	16,645,616.31		16,645,616.31

2. Refund of government grants

Applicable Not applicable

Other statements

Nil

85. Others

Applicable Not applicable

VIII. Changes in consolidation scope

1. Mergers of enterprises not under common control

Applicable Not applicable

2. Mergers of the enterprises under common control

Applicable Not applicable

3. Reverse acquisition

Applicable Not applicable

4. Disposal of subsidiaries

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

Applicable Not applicable

Other notes:

Applicable Not applicable

5. Changes in consolidation scope for other reasons

Changes in the consolidation scope for other reasons (e.g. new establishment of subsidiaries, liquidation of subsidiaries, etc.) and the related information:

Applicable Not applicable

The Company established a subsidiary, Yiwu Shangbo Shuzhi Enterprise Management Co., Ltd., in this period.

6. Others

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	Yiwu, Zhejiang	Yiwu, Zhejiang	Service	100		Establishment

Co., Ltd.						
Yiwu China Commodities City Logistics and Warehousing Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Multimodal transport and transportation agency	100		Establishment
Yiwu China Commodities City Commerce and Trade Service Training Center Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Education	100		Establishment
Yiwu China Commodities City Exhibition Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Business service	98	2	Establishment
Zhejiang Huajie Investment and Development Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Business service	96.4		Incorporation+acquisition
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 China Commodities City Payment Network Technology Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	IT		100	Establishment
Yiwu China Commodities City Advertising Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Advertising		100	Establishment
Yiwu International Trade Comprehensive Service Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Wholesale		60	Establishment
Yiwu China Commodities City Credit Investigation Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Service		85	Establishment
Yiwu Aiximao Supply Chain Management Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Service		100	Establishment
Yiwu Huanqiuyida Logistics Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Multimodal transport and transportation agency		60	Establishment
Yiwu China Commodities City Internet Financial Information Service Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Service		100	Incorporation+acquisition
Yiwu China Commodities City RMB and Foreign Currency Exchange Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Service		100	Establishment
Hangzhou Shangbo Nanxing Property Co., Ltd.	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Real estate	100		Establishment
Haicheng Yiwu China Commodities City Investment Development Co., Ltd.	Haicheng, Liaoning	Haicheng, Liaoning	Real estate	95		Establishment
Ningxia Yiwu China Commodities City Supply Chain Management Co., Ltd.	Shizuishan, Ningxia	Shizuishan, Ningxia	Service		100	Establishment
Yiwu China Commodities City (Hong Kong) International Trade Co., Ltd.	Hong Kong, China	Hong Kong, China	Wholesale		100	Establishment

Hong Kong Better Silk Road Co., Ltd.	Hong Kong, China	Hong Kong, China	Service		100	Establishment
Yiwu China Commodities City (Germany) Co., Ltd.	Frankfurt, Germany	Frankfurt, Germany	Service		100	Establishment
BETTER SILK ROAD FZE	Dubai, UAE	Dubai, UAE	Service		100	Establishment
BETTER SILK ROAD RWANDA Ltd	Kigali, Rwanda	Kigali, Rwanda	Service		100	Establishment
European Huajie Investment Development Co., Ltd.	Prague, Czech Republic	Prague, Czech Republic	Service		96.4	Incorporation+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	3,274,040.80	-	48,091,422.74
Haicheng Company	5	-1,729,824.07	-	-44,722,868.07

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

□Applicable √Not applicable

Other notes:

□Applicable √Not applicable

(3). Major financial information of important non-wholly-owned subsidiaries

√Applicable □Not applicable

Unit: RMB10,000

Name of subsidiary	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Zhejiang Yiwugou E-commerce Co., Ltd.	11,943.43	857.89	12,801.32	2,986.75	-	2,986.75	11,899.73	900.21	12,799.94	3,653.53	-	3,653.53
Haicheng Company	130,653.08	79,778.16	210,431.24	299,876.98	-	299,876.98	126,423.87	98,154.04	224,577.91	310,564.00	-	310,564.00

Name of subsidiary	Amount in the current period				Amount in the previous period			
	Operating revenue	Net profits	Total comprehensive income	Cash flow from operating activities	Operating revenue	Net profits	Total comprehensive income	Cash flow from operating activities
Zhejiang Yiwugou E-commerce Co., Ltd.	2,459.03	668.17	668.17	446.46	2,289.66	403.04	403.04	-1,005.35
Haicheng Company	18,481.88	-3,459.65	-3,459.65	-1,159.89	591.49	-7,128.38	-7,128.38	4,098.84

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 Investment Development Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Real estate	49		Equity method
Yiwu Huishang Redbud Capital Management Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Service		20	Equity method
Yiwu Rongshang Property Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Real estate	49		Equity method
Yiwu Chuangcheng Property Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Real estate	24		Equity method
Yiwu Guoshen Shangbo Property Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Real estate	49		Equity method
Associate						
Yiwu Huishang Redbud Equity Investment Co., Ltd. (Note 4)	Yiwu, Zhejiang	Yiwu, Zhejiang	Commercial services		10.42	Equity method
Zhejiang Chouzhou Financial Lease Co., Ltd.	Hangzhou, Zhejiang	Yiwu, Zhejiang	Service	26		Equity method
Yiwu Huishang Redbud Phase II Investment Partnership (LLP) (Note 5)	Yiwu, Zhejiang	Yiwu, Zhejiang	Lease and business service	9.43		Equity method
Yiwu Hongyi Equity Investment Fund Partnership	Yiwu, Zhejiang	Yiwu, Zhejiang	Service		49.975	Equity method
Pujiang Lvgu Property Co., Ltd.	Pujiang, Zhejiang	Pujiang, Zhejiang	Real estate	49		Equity method
Yiwu China Commodities City Property Development Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Real estate	49		Equity method

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 4: The Company holds 10.42% (2021: 10.42%) of equity of Yiwu Huishang Redbud Equity Investment Co., Ltd. (hereinafter referred to as "Redbud Equity Investment"), but regards it as a joint

venture of the Company. According to Redbud Investment's articles of association, it is engaged in investing and its important financial and operating decision-making activities are to pick and manage investment projects, which have been fully entrusted to the Company's joint venture Yiwu Huishang Redbud Capital Management Co., Ltd. ("Redbud Capital"). Redbud Capital picks and manages investment projects via its investment decision-making committee. Except for special investment matters, which are subject to the resolution of Redbud Investment's board of directors, other important financial and operating decision-making activities are conducted by Redbud Capital on the behalf of Redbud Investment. Therefore, the Company was able to exercise significant influence on Redbud Investment in which the Company held 10.42% of total equity.

Note 5: The Company holds 9.43% (9.43% in 2021) equity of Yiwu Huishang Redbud Phase II Investment Partnership (limited partnership) ("Redbud Phase II"), but regards it as an associated company of the Company. According to Redbud Phase II's articles of association, it is engaged in investing and its important financial and operating decision-making activities are to pick and manage investment projects, which have been fully entrusted to the Company's joint venture Redbud Capital. Redbud Capital picks and manages investment projects via its investment decision-making committee. Except for special investment matters, which are subject to the resolution of Redbud Phase II's board of directors, other important financial and operating decision-making activities are conducted by Redbud Capital on the behalf of Redbud Phase II. Therefore, the Company can exert significant influence on Redbud Phase II in which it holds 9.43% equity.

(2). Main financial information of important joint ventures

√Applicable □Not applicable

Unit: RMB 10,000

	Closing balance/amount in the current period			Opening balance/amount in the previous period		
	Yiwu Shanglv	Yiwu Rongshang Property	Yiwu Chuangcheng Property	Yiwu Shanglv	Yiwu Rongshang Property	Yiwu Chuangcheng Property
Current assets	6,242.83	196,561.31	153,247.98	9,499.55	564,093.80	385,685.30
In which: cash and cash equivalents	1,818.27	13,423.94	1,204.37	1,720.42	23,898.97	37,501.70
Non-current assets	131,342.96	5.89	3.79	133,261.86	8,395.40	5,324.96
Total assets	137,585.79	196,567.20	153,251.77	142,761.41	572,489.20	391,010.26
Current liabilities	31,058.62	172,197.66	94,821.77	37,527.54	528,124.40	354,317.21
Non-current liabilities	23,695.72	1,970.96	1,774.02	23,695.72	-	-
Total liabilities	54,754.34	174,168.62	96,595.79	61,223.26	528,124.40	354,317.21
Minority interest						
Shareholders' equity attributable to parent company	82,831.45	22,398.58	56,655.98	81,538.15	44,364.80	36,693.05
Share of net assets calculated based on shareholding ratio	40,587.41	10,975.30	13,597.44	39,953.69	21,738.75	8,806.33
Adjustments	-1,563.23	-	-	-1,586.85	-	-
--unrealized profits of internal transactions	-1,563.23	-	-	-1,586.85	-	-
Book value of equity investment in joint ventures	39,024.18	10,975.31	13,597.44	38,366.84	21,738.75	8,806.33
Operating revenue	8,396.80	427,669.78	275,551.74	11,915.13	-	-
Financial expenses	854.71	-119.92	-28.31	1,313.05	-301.55	-116.07
Net profits	1,293.30	96,577.78	44,962.93	2,561.80	-287.30	-1,124.86
Total comprehensive income	1,293.30	96,577.78	44,962.93	2,561.80	-287.30	-1,124.86
Dividends received from joint ventures this year	-	58,086.56	6,000.00	-	-	-

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	Chouzhou Financial Lease	Hongyi Fund	CCCP	Pujiang Lvgu
Current assets	44,793.22	22,357.48	1,380,092.59	107,237.16	77,805.80	21,730.37	1,492,712.71	122,804.10
Non-current assets	1,513,877.00	156,838.25	45,194.98	3,151.30	1,356,968.91	155,970.63	42,919.44	459.02
Total assets	1,558,670.22	179,195.73	1,425,287.57	110,388.46	1,434,774.71	177,701.00	1,535,632.15	123,263.12
Current liabilities	1,042,334.83	37.33	727,168.11	32,119.60	1,020,585.17	37.71	915,862.90	31,456.60
Non-current liabilities	338,762.31	-	101,295.42	2,448.78	250,335.36	-	49,089.63	-
Total liabilities	1,381,097.14	37.33	828,463.53	34,568.38	1,270,920.53	37.71	964,952.53	31,456.60
Shareholders' equity attributable to parent company	177,573.08	179,158.40	596,824.04	75,820.08	163,854.18	177,663.29	570,679.62	91,806.52
Share of net assets calculated based on shareholding ratio	46,169.00	89,534.41	292,443.78	37,151.84	42,602.08	88,796.11	279,633.01	44,985.19
Adjustments	-	-8.96	-6,617.54	942.95	-	-8.88	-3,939.17	942.95
--unrealized profits of internal transactions	-	-8.96	-6,617.54	942.95	-	-8.88	-3,939.17	942.95
Book value of equity investment in joint ventures	46,169.00	89,525.45	285,826.24	38,094.79	42,602.08	88,787.23	275,693.84	45,928.14
Operating revenue	28,545.90	-	171,172.95	2,172.40	19,148.81	743.86	130,649.27	89,556.04
Net profits	13,718.90	8,934.93	25,513.10	2,013.56	11,330.05	682.67	15,476.32	23,941.44
Total comprehensive income	13,718.90	8,919.21	25,513.10	2,013.56	11,330.05	682.67	15,476.32	23,941.44
Dividend on associates received in the current year	-	-	-	8,820.00	-	-	-	-

Other statements

Nil

(4). Summary of 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	71,171,889.04	56,813,304.76
Total amounts of the following items calculated based on shareholding ratio		
--Net profits	14,358,584.28	-17,417,905.83
--Total comprehensive income	14,358,584.28	-17,417,905.83
Associates:		
Total book value of investments	470,662,439.31	461,933,497.77
Total amounts of the following items calculated based on shareholding ratio		
--Net profits	-7,520,626.68	-2,760,126.81
--Total comprehensive income	-7,520,626.68	-2,760,126.81

Other statements

Nil

(5). Restrictions on the ability of joint ventures or associates to transfer money to the Company

□Applicable √Not applicable

(6). Excess losses of joint ventures or associates

□Applicable √Not applicable

(7). Unrecognized commitments relating to an investment in joint ventures

□Applicable √Not applicable

(8). Contingent liabilities relating to an investment in joint ventures or associates

□Applicable √Not applicable

4. Important joint operations

□Applicable √Not applicable

5. Equity in structured entities not included in the consolidated financial statements

Notes on structured entities not included in the consolidated financial statements:

□Applicable √Not applicable

6. Others

□Applicable √Not applicable

X. Risks associated with financial instruments

√Applicable □Not applicable

1. Classification of financial instruments

The book values of financial instruments on the balance sheet date are as follows:
June 30, 2022

Financial assets

	Financial assets that are measured by fair value and of which the changes in fair value are recognized in the profit or loss for the current period Requirements in the standard	Measured at amortized cost	measured at fair value and whose changes are included in other comprehensive income Designated	Total
Cash and cash equivalents	-	4,499,334,048.52	-	4,499,334,048.52
Held-for-trading financial assets	51,033,592.50	-	-	51,033,592.50
Accounts receivable	-	73,782,158.07	-	73,782,158.07
Other receivables	-	746,718,985.83	-	746,718,985.83
Other current assets	-	2,110,199.39	-	2,110,199.39
Long-term receivables	-	270,534,332.30	-	270,534,332.30
Other equity instruments investment	-	-	538,083,278.52	538,083,278.52
Other non-current financial assets	1,573,087,817.52	-	-	1,573,087,817.52
	1,624,121,410.02	5,592,479,724.11	538,083,278.52	7,754,684,412.65

Financial liabilities

	Other financial liabilities
Short-term borrowings	587,435,842.88
Accounts payable	293,544,737.63
Other payables	1,326,087,294.15
Non-current liabilities due within one year	3,204,867,360.53
Other current liabilities	4,066,990,475.43
Long-term borrowings	204,500,000.00
Bonds payable	1,514,288,084.70
Lease liabilities	203,602,525.97
	11,401,316,321.29

2021**Financial assets**

	Financial assets that are measured by fair value and of which the changes in fair value are recognized in the profit or loss for the current period Requirements in the standard	Measured at amortized cost	measured at fair value and whose changes are included in other comprehensive income Designated	Total
Cash and cash equivalents	-	4,831,468,386.25	-	4,831,468,386.25
Held-for-trading financial assets	75,375,083.20	-	-	75,375,083.20
Accounts receivable	-	185,237,530.89	-	185,237,530.89
Other receivables	-	1,355,924,282.96	-	1,355,924,282.96
Other current assets	-	2,780,294.82	-	2,780,294.82
Long-term receivables	-	222,307,363.40	-	222,307,363.40
Other equity instruments investment	-	-	642,187,968.77	642,187,968.77

Other non-current financial assets	1,524,819,255.41	-	-	1,524,819,255.41
	<u>1,600,194,338.61</u>	<u>6,597,717,858.32</u>	<u>642,187,968.77</u>	<u>8,840,100,165.70</u>

Financial liabilities

				Other financial liabilities
Short-term borrowings				942,736,046.04
Accounts payable				493,360,429.02
Other payables				1,908,742,835.15
Non-current liabilities due within one year				3,664,241,923.08
Other current liabilities				3,081,384,800.50
Long-term borrowings				771,250,000.00
Lease liabilities				<u>205,942,673.93</u>

11,067,658,707.72

2. Risks associated with financial instruments

The risks associated with financial instruments faced by the Group in regular activities mainly include credit risk, liquidity risk and market risk. The main financial instruments of the Group include cash, borrowings from banks, bonds payable and commercial papers payable. Those instruments are used mainly to finance the operation of the Group. The Group has lots of other financial assets and liabilities directly arising from operation, such as accounts receivable, other receivables, accounts payable and other payables. The risks associated with those financial instruments and the risk management strategy taken by the Group to reduce those risks are stated as follows.

Credit risk

The Group only deals with the recognized third parties with good reputations. According to its policy, the Group needs to carry out credit reviews 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 reputations and high credit ratings, the credit risk of those financial instruments is relatively low.

The Group's other financial assets include cash, debt investment, other receivables and certain derivatives, the credit risk of which is sourced from default by the counterparties, and the maximum risk exposure is equal to the book value of those instruments.

As the clients from which the Group's accounts receivable are receivable are scattered in different sectors and industries, there's no material credit risk concentrated within the Group. The Group does not have any collaterals or other credit enhancements for the balance of its accounts receivable.

See Notes VII. 5 and 8 for quantitative data on the Group's credit risk exposure in relation to receivables and other receivables.

Criteria for significant increase in credit risk

The Group evaluates, on each balance sheet date, whether the credit risk of related financial instruments has increased significantly since the initial recognition thereof. In determining whether the credit risk of a financial instrument has increased significantly since the initial recognition thereof, the Group takes into account the reasonable and

well-grounded information that is accessible without unnecessary extra costs or efforts, including the qualitative and quantitative analyses based on the Group's historical data, external credit risk rating and forward-looking information. The Group compares the risk of financial instruments defaulting on the balance sheet date and the risk of them defaulting on the date of initial recognition based on an individual financial instrument or a group of financial instruments with similar credit risk characteristics to determine the changes in anticipated default risk of the financial instrument(s) within the duration thereof.

If a financial instrument meets one or more of the following quantitative or qualitative criteria, the Group will determine that its credit risk has increased significantly:

- (1) The main quantitative criterion is that its probability of default within the remaining duration on the reporting date rises by a certain margin from that at its initial recognition;
- (2) The main qualitative criterion is that the debtor has materially adverse changes in business or financial conditions or is on the warning list of clients.

Definition of the assets whose credit has been impaired

In order to determine whether the credit of an asset has been impaired, the Group adopts the criteria consistent with its internal credit risk management goal for related financial instruments and also takes into account the quantitative and qualitative indicators. The Group mainly considers the following factors while assessing whether the credit of a debtor has been impaired:

- (1) the issuer or debtor suffers material financial difficulty;
- (2) the debtor is in breach of contract, such as breach in interest payment, principal repayment or overdue payment;
- (3) the creditor makes a compromise to the debtor which it would in no case make, based on the economic or contract considerations in connection with the debtor's financial difficulty;
- (4) the debtor is very likely to go bankrupt or enter into other financial reorganizations;
- (5) the financial difficulty of the issuer or debtor results in the disappearance of the active market of the financial asset;
- (6) a financial asset is purchased or derived at a large discount and the discount points to the fact of credit loss having been incurred.

The credit impairment of financial assets may be caused by multiple events together and may not necessarily be caused by an individually identifiable event.

Measurement parameters of expected credit loss

Depending on whether credit risk has increased significantly and whether credit has been impaired, the Group makes impairment provisions for the expected credit losses of different assets within 12 months or the entire duration. The key parameters of expected credit loss include the probability of default, loss given default and default risk exposure. The Group has built the models of probability of default, loss given default and default risk exposure based on the quantitative analysis of historical data (e.g. rating of counterparties, form of guarantee and category of collaterals or pledges, form of repayment) and forward-looking information.

The related definitions are as follows:

- (1) The probability of default refers to the possibility that the debtor will be unable to fulfill its payment obligations in the next 12 months or throughout the remaining duration. The Group adjusts the probability of default based on the results of the expected credit loss model and with forward-looking information included to reflect the debtors' probability of default under the current macroeconomic environment.

- (2) The default loss rate refers to the Group's expectation of the extent of losses incurred due to the default risk exposure. The loss given default varies with the type of counterparty, the form and priority of claims and collaterals. The loss given default is the percentage of risk exposure loss at the time of default and is calculated based on the coming 12 months or the entire remaining duration.
- (3) The default risk exposure refers to the amount that the Group should pay out when a default occurs in the next 12 months or throughout the remaining duration.

The determination of significant increase in credit risk and the calculation of expected credit loss both involve forward-looking information. The Group identifies the key economic indicators that affect the credit risk and expected credit loss of various types of businesses through the analysis of historical data.

The influence of those economic indicators on the probability of default and loss have given default varies with the type of business. The Group predicts those indicators on a quarterly basis based on experts' judgments and determines their influence on the probability of default and loss given default through regression analysis.

The Group makes impairment provisions for the expected credit loss of accounts receivable and other receivables within the coming 12 months with the simplified method and general method respectively. Please refer to Notes VII. 5 and 8 for details.

Liquidity risk

The Group manages the cash shortage risk with the cyclical liquidity plan tool. The tool considers not only the maturity dates of financial instruments but also the estimated cash flows arising from the operation of the Group.

The Group aims to make use of such financing instruments as bank loans, commercial papers, MTNs, corporate bonds and long-term borrowings to maintain the balance between the continuity and flexibility of financing. As of June 30, 2022, 77.72% of the Group's debts would be due within one year (December 31, 2021: 87.59%).

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

June 30, 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	448,267.14	4,168,884.44	588,738,403.82	-	-	593,355,555.40
Accounts payable	237,076,730.72	56,468,006.91	-	-	-	293,544,737.63
Other payables	858,706,023.35	-	-	467,381,270.80	-	1,326,087,294.15
Other current liabilities	4,532,809.76	4,066,147,671.23	-	-	-	4,070,680,480.99
Non-current liabilities due within one year	388,888.89	2,811,146,666.67	405,950,000.00	-	-	3,217,485,555.56
Long-term borrowings	153,375.00	1,426,387.50	4,202,475.00	213,321,875.00	-	219,104,112.50
Bonds payable	-	-	68,600,000.00	1,930,060,000.00	-	1,998,660,000.00
Total	1,101,306,094.86	6,939,357,616.75	1,067,490,878.82	2,610,763,145.80	-	11,718,917,736.23

2021

Item	At call	1-3 months	3 months-1 year (1 year inclusive)	1 year - 5 years (5 years inclusive)	Above 5 years	Total
Short-term borrowings	2,580,651.41	253,953,316.72	702,138,696.23	-	-	958,672,664.36
Accounts payable	433,048,081.66	60,312,347.36	-	-	-	493,360,429.02
Other payables	1,337,432,161.48	-	-	571,310,673.67	-	1,908,742,835.15
Other current	4,304,034.67	-	3,064,041,095.89	-	-	3,068,345,130.56

liabilities						
Non-current liabilities due within one year	326,666.67	50,424,666.67	3,639,370,038.05	-	-	3,690,121,371.39
Long-term borrowings	2,178,645.83	4,357,291.67	19,607,812.50	785,678,164.58	-	811,821,914.58
Total	1,779,870,241.72	369,047,622.42	7,425,157,642.67	1,356,988,838.25	-	10,931,064,345.06

Market risks

Interest rate risk

The risk of changes in market interest rates faced by the Group is mainly related to the Group's long-term liabilities at floating interest rates.

The Group manages interest costs by maintaining an appropriate combination of fixed-rate debts and variable-rate debts. As of Jun 30, 2022, the Company had no long-term borrowings 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 believes 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. 1.15% (2021: 0.86%) of the Group's sales in the current period were denominated in a currency other than the functional currency of the operating unit where the sales occurred, while 98.85% (2021: 99%) 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 believes 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 Jun 30, 2022, the Group was exposed to the price risk of equity instrument investments arising from the individual equity instrument investments classified as the financial instruments that are measured by fair value and of which the changes in fair value are recognized in income in current period (Note VII. 2) or recognized in other comprehensive income (Note VII. 18). The listed equity instruments that were invested and held by the Group were listed on the Shanghai Stock Exchange and the Shenzhen Stock Exchange, respectively, the determination is made through discounting and adjustment using the trading prices of similar circulating stocks of the same listed company on the balance sheet date, combined with liquidity.

The market stock indexes of the following stock exchanges at the closing point of the trading day that is closest to the balance sheet date, and their respective highest and lowest closing points during the year are as follows:

	End of June 2022	Jan-Jun 2022 Max/Min	End of 2021	Jan-Jun 2021 Max/Min
SZSE-A Share Index	2,327	2,645/1,833	2,648	2,583/2,261
SSE-A Share	3,562	3,807/3,025	3,814	3,875/3,519

Index				
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The following table indicates the sensitivity of the Group's net profit and loss and other comprehensive income after tax to the change each 10% of the fair value of equity instrument investment (based on the book value on the balance sheet date) under the assumption that all other variables remain unchanged.

End of June 2022

	Equity instrument investment Book value	Net profit or loss	Other comprehensive income net after tax	Total shareholders' equity
Equity instrument investment		increase/(decrease)	increase/(decrease)	increase/(decrease)
Fair value increase/decrease by 10%				
Shenzhen - Investment in the equity instruments that are measured by fair value and of which the changes in fair value are recognized in other comprehensive income	538,083,278.52	-	40,356,245.89	40,356,245.89
Shanghai - Equity instrument investment at fair value through profit or loss	26,033,592.50	1,952,519.44	-	1,952,519.44

2021

	Equity instrument investment Book value	Net profit or loss	Other comprehensive income net after tax	Total shareholders' equity
Equity instrument investment		increase/(decrease)	increase/(decrease)	increase/(decrease)
Fair value increase/decrease by 10%				
Shenzhen - Investment in the equity instruments that are measured by fair value and of which the changes in fair value are recognized in other comprehensive income	642,187,968.77		48,164,097.66	48,164,097.66
Shanghai - Equity instrument investment at fair value through profit or loss	50,375,083.20	3,778,131.24	-	3,778,131.24

3. Capital management

The main objective of the Group in capital management is to ensure the Group's ability to continue operations and maintain a healthy capital ratio to support its business development and maximize the values for shareholders.

The Group manages and adjusts its capital structure based on the changes in the economic situation and the risk characteristics of related assets. To maintain or adjust the capital structure, the Group may adjust the distribution of profits to shareholders, return capital contribution to shareholders or issue new shares. The Group is not subject to external mandatory capital requirements. From January to June 2022 and 2021, there was no change in capital management objectives, policies or procedures.

XI. Disclosure of fair value

1. Closing fair value of the assets and liabilities measured by fair value

Applicable Not applicable

Unit: RMB

Item	Closing fair value			
	Level 1 fair value	Level 2 fair value	Level 3 fair value	Total
I. Continuous fair value measurement				
(1) Held-for-trading financial assets	26,033,592.50	-	25,000,000.00	51,033,592.50
1. Financial assets that are measured at fair value and whose changes are included in the current profit and loss	26,033,592.50	-	25,000,000.00	51,033,592.50
(2) Investment in equity instruments	26,033,592.50	-	-	26,033,592.50
(4) Bank wealth management products	-	-	25,000,000.00	25,000,000.00
(3) Other equity instruments investment	538,083,278.52	-	-	538,083,278.52
(vi) Other non-current financial assets	-	886,219,106.15	686,868,711.37	1,573,087,817.52
Total assets are continuously measured by fair value	564,116,871.02	886,219,106.15	711,868,711.37	2,162,204,688.54

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 first-level fair value measurement items mainly include listed equity instruments, whose fair value is determined based on the market quotation on the last trading day of June 2022.

3. Valuation techniques and qualitative and quantitative information of important parameters for the items continuously and non-continuously measured by Level 2 fair value

Applicable Not applicable

The Group's level-2 items continuously measured at fair value mainly include unlisted equity investments and listed equity instruments with restricted sales conditions. The fair value of unlisted equity investments is determined based on the information in the financial statements of these unlisted companies as of June 30, 2022, 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 equity investments and debt investments in non-listed companies for which the comparable company multiplier method cannot be used. The fair value of the equity investments and debt investments in non-listed companies for which the comparable company multiplier method is not suitable are determined with the asset-based method as of June 30, 2022.

5. Adjustment information between the opening book value and closing book value, and the sensitivity analysis of unobservable parameters for items continuously measured by Level 3 fair value

Applicable Not applicable

6. For items continuously measured by fair value, if there is conversion between different levels in the current period, the reasons for the conversion and the policy for determining the time of conversion

Applicable Not applicable

7. Changes in valuation techniques in the current period and reasons for changes

Applicable Not applicable

8. Fair value of financial assets and financial liabilities not measured by fair value

Applicable Not applicable

June 30, 2022

	Entries used in the fair value measurement			Total
	Quotation in an active market Level 1	Important observable entry Level 2	Important observable entry Level 2	
Bonds payable (current portion included)		<u>4,583,517,932.98</u>		<u>4,583,517,932.98</u>

9. Others

Applicable Not applicable

Estimate of fair value

Fair value of financial instruments

The table below shows the differences between book value and fair value of the Group's financial instruments other than the financial instruments with very small differences between book value and fair value and the equity instruments that did not have an offering price in the active market and whose fair value could not be measured reliably:

	Book value		Fair value	
	June 30, 2022	2021	June 30, 2022	2021
Financial liabilities bonds payable (current portion included)	<u>4,301,169,332.94</u>	<u>3,552,960,829.66</u>	<u>4,583,517,932.98</u>	<u>3,549,754,103.37</u>

The management has 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 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 (%)
CCCH	Yiwu, Zhejiang	Asset management	100,000	55.33	55.33

Notes on the parent company of the Company

Nil

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

Other notes:
Nil

2. Subsidiaries of the Company

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

Applicable Not applicable

For details of subsidiaries, please refer to Note IX. 1. Equity in subsidiaries

3. Joint ventures and associates of the Company

For details of the Company's important joint ventures or associates, please refer to the Notes

Applicable Not applicable

For details, please refer to Note IX. 3. Interests in joint ventures or associated enterprises

Other joint ventures or associates that have related-party transactions with the Company in the current period or had related-party transactions with the Company in the prior year which resulted in an outstanding amount are as follows

Applicable Not applicable

Name of joint venture or associate	Relationship with the Company
Yiwu Shanglv	Joint venture
Yiwu Huishang Redbud Capital Management Co., Ltd.	Joint venture
Hangzhou Binjiang Shangbo Property Development Co., Ltd.	Associate
Huishang Micro-finance	Associate
Zhejiang Yemai Data Technology Co., Ltd.	Associate
Yiwu Meipinshu Supply Chain Management Co., Ltd.	Associate
JEBEL ALI FREE ZONE TRADER MARKET DEVELOPMENT AND OPERATION FZCO	Associate
Yiwu Digital Port Technology Co., Ltd.	Associate
CCCP	Associate

Other statements

Applicable Not applicable

4. Other related parties

Applicable Not applicable

Name of other related party	Relationship with the Company
SCO	Parent company of controlling shareholder of the Company's largest shareholder
MDG	Controlling shareholder of the Company's largest shareholder
Yiwu China Commodities City Property Service Co., Ltd.	Subsidiary of the Company's largest shareholder
Xingfuhu International Conference Center Company of Yiwu Market Development Group Co., Ltd.	Branch of Controlling shareholder of the Company's largest shareholder
Yiwu Security Service Co., Ltd.	Subsidiary of controlling shareholder of the Company's largest shareholder
Zhejiang Xingfuhu Sports Development Co., Ltd.	Subsidiary of controlling shareholder of the Company's largest shareholder
Huangyuan Shangbo	Subsidiaries of joint ventures
Chengzhen Property	Subsidiaries of joint ventures
Yiwu Gongchen Shangbo Property Co., Ltd.	Subsidiaries of joint ventures

Tonghui Shangbo	Subsidiaries of joint ventures
Zhejiang Shangbo Property Co., Ltd.	Subsidiaries of associates
Handing Shangbo	Subsidiaries of associates

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	Amount in the previous period
Yiwu China Commodities City Property Service Co., Ltd.	Property service fee and greening maintenance fee	72,002,626.73	-
Yiwu Security Service Co., Ltd.	Pandemic prevention and control and exhibition security service fee	10,543,139.42	37,500.00
Yiwu China Commodities City Creative Design and Development Services Co., Ltd.	Design fee	379,844.66	-

Selling goods/rendering service

√Applicable □Not applicable

Unit: RMB

Related party	Contents of related-party transaction	Amount in the current period	Amount in the previous period
MDG and its branch Xingfuhu International Conference Center	Laundry costs, venue rental costs, etc.	438,145.35	2,406,375.28
Yiwu Meipinshu Supply Chain Management Co., Ltd.	Procurement agency	51,833.38	1,566,898.69
CCCCP	Payment for pandemic prevention materials	-	1,280.00
Pujiang Lvgu Property Co., Ltd.	Payment for pandemic prevention materials	-	272.00

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	182,819.84

Notes on entrustment/contracting from related parties

Applicable Not applicable

According to the Xingfuhu International Conference Center Management Contract signed by and between the Company and the Market Development Group, the Company is entrusted to manage Xingfuhu International Conference Center Hotel located at No. 100, Xingfuhu Road, Yiwu City. The hotel management fee collected during the reporting period was RMB 182,819.84 (January- June 2021: RMB 895,759.55)

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	Rental income recognized in the current period	Rental income recognized in the previous period
CCCP	Office space	468,572.46	-
Yiwu Huishang Redbud Capital Management Co., Ltd.	Office space	123,409.56	123,409.53
Yiwu China Commodities City Property Service Co., Ltd.	Office space	72,225.96	-
Huishang Micro-finance	Office space	10,171.46	196,476.69
Zhejiang Yemai Data Technology Co., Ltd.	Office space	-	22,184.76

The Company as the lessee

Applicable Not applicable

Notes on related-party lease

Applicable Not applicable

(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	125,428,608.27	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, 2022, Yiwu Shanglv actually borrowed RMB 255.9768 million (Dec 31, 2021: RMB 296.5056 million) from banks. According to the guarantee contract, the Group assumed liability for RMB 125.4286 million (Dec 31, 2021: RMB 145.2877 million). SCO provided a counter-guarantee

(5). **Related-party lending and borrowing**

√Applicable □Not applicable

Unit: RMB

Related party	Amount	Starting date	Maturity date	Description
Borrowings				
Huangyuan Shangbo	436,100,000.00	Jul 31, 2020		The Group allocated a total of RMB 436,100,000.00 of surplus funds from Huangyuan Shangbo in 2020, and allocated a total of RMB 171,500,000.00 of surplus funds from Huangyuan Shangbo in 2021. The allocations were based on the shareholding rate and the annual interest rate was 0%. As of June 30, 2022, RMB 580,865,600.00 was converted into dividends, and the remaining RMB 26,734,400.00 was transferred back to Huangyuan Shangbo.
Huangyuan Shangbo	171,500,000.00	Jan 26, 2021		Ditto
Chengzhen Property	27,200,000.00	Oct 22, 2020		The Group allocated a total of RMB 27,200,000.00 of surplus funds from Chengzhen Real Estate in 2020, a total of RMB172,800,000.00 of surplus funds from Chengzhen Real Estate in 2021, and a total of RMB 72,000,000.00 of surplus funds from Chengzhen Real Estate in 2022. The allocations were based on the share holding rate and the annual interest rate was 0%. As of June 30, 2022, RMB 60,000,000.00 was converted into dividends, and the return date of the remaining funds is determined according to the capital needs of the Chengzhen Real Estate Project.
Chengzhen Property	172,800,000.00	Jan 26, 2021		Ditto
Chengzhen Property	72,000,000.00	Jan 18, 2022		Ditto

Related party	Amount	Starting date	Maturity date	Description
Lending to				
Tonghui Shangbo	742,568,548.00	Nov 17, 2022		In 2020, the Group provided a total of RMB 742,568,548.00 in financial assistance to Tonghui Shangbo, and in 2021, it provided a total of RMB138,160,000.00 in financial assistance to Tonghui Shangbo, with an annual interest rate of 6.5%. Tonghui Shangbo repaid RMB 735,000,000.00 successively in 2022.
Tonghui Shangbo	138,160,000.00	Feb 26, 2021		Ditto
Handing Shangbo	204,604,400.00	Dec 11, 2020		In 2020, the Group provided financial assistance to Handing Shangbo totaling RMB 204,604,400.00, and in 2021, the Group provided financial assistance to Handing Shangbo totaling RMB 17,845,800.00, with an annual interest rate of 6%. Handing Shangbo repaid RMB 14,700,000.00 successively in 2022.

Handing Shangbo	17,845,800.00	May 11, 2021		Ditto
JEBEL ALI FREE ZONE TRADER MARKET DEVELOPMENT AND OPERATION	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 57,544,119.40, and received interests of RMB 9,424,876.07, all at an annual interest rate of 6-month average EIBOR plus 5%. The repayment term of the financial assistance is determined based on the progress of the project.
JEBEL ALI FREE ZONE TRADER MARKET DEVELOPMENT AND OPERATION	109,636,517.09	Mar 31, 2021		Ditto
JEBEL ALI FREE ZONE TRADER MARKET DEVELOPMENT AND OPERATION	57,544,119.40	May 12, 2022		Ditto

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

Applicable Not applicable

(7). Remunerations of key officers

Applicable Not applicable

Unit: RMB10,000

Item	Amount in the current period	Amount in the previous period
Remunerations of key officers	771.29	827.37

(8). Other related-party transactions

Applicable Not applicable

6. Accounts receivable from and payable to related parties**(1). Receivables**

Applicable Not applicable

Unit: RMB

Item	Related party	Closing balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Accounts receivable	Xingfuhu International Conference Center Company of Yiwu Market Development Group Co., Ltd.	221,008.90	353.61	369,743.93	-
Accounts receivable	Yiwu Gongchen Shangbo Property Co.,	87,545.18	140.07	97,351.08	-

	Ltd.				
Accounts receivable	CCCP	5,800.00	9.28	9,000.00	-
Accounts receivable	Tonghui Shangbo	-	-	6,200,000.00	-
Total		314,354.08	502.96	6,676,095.01	-
Other receivables-interest receivable	Handing Shangbo	3,107,715.32	-	-	-
Other receivables-interest receivable	Tonghui Shangbo	-	-	92,249,275.44	-
Other receivables	Handing Shangbo	207,750,200.00	-	222,450,200.00	-
Other receivables	Tonghui Shangbo	258,477,909.38	-	880,728,548.00	-
Total		469,335,824.70	-	1,195,428,023.44	-
Long-term receivables	Yiwu Shanglv	41,650,000.00	-	41,650,000.00	-
Long-term receivables	JEBEL ALI FREE ZONE TRADER MARKET DEVELOPMENT AND OPERATION FZCO	221,221,244.84	-	173,102,001.51	-
Total		262,871,244.84	-	214,752,001.51	-

(2). Payables

√Applicable □Not applicable

Unit: RMB

Item	Related party	Closing book balance	Opening book balance
Accounts payable	Yiwu China Commodities City Property Service Co., Ltd.	60,901,038.04	-
Accounts payable	Zhejiang Yemai Data Technology Co., Ltd.	176,873.43	176,873.43
Total		61,077,911.47	176,873.43
Advance from customers	Yiwu Huishang Redbud Capital Management Co., Ltd.	226,899.53	82,273.06
Advance from customers	CCCP	244,915.59	612,288.99
Advance from customers	Yiwu Digital Port Technology Co., Ltd.	28,070.44	112,281.94
Advance from customers	Huishang Micro-finance	9,454.12	20,798.09
Advance from customers	Yiwu China Commodities City Property Service Co., Ltd.	-	32,052.85
Advance from customers	Yiwu Meipinshu Supply Chain Management Co., Ltd.	-	31,195.06
Total		509,339.68	890,889.99
Contract liabilities	Yiwu Digital Port Technology Co., Ltd.	26,886.57	22,205.25
Contract liabilities	Yiwu China Commodities City Property Service Co., Ltd.	8,646.70	332.00

Contract liabilities	Yiwu Security Service Co., Ltd.	1,830.60	2,004.40
Contract liabilities	Huishang Micro-finance	-	7,966.42
Total		37,363.87	32,508.07
Other payables	Chengzhen Property	212,000,000.00	200,000,000.00
Other payables	Yiwu Shangfu Chuangzhi Investment Center (limited partnership)	34,000,500.00	34,000,500.00
Other payables	Yiwu Huishang Redbud Equity Investment Co., Ltd.	10,000,000.00	4,500,000.00
Other payables	CCCP	240,000.00	240,000.00
Other payables	MDG	87,656.62	63,334.76
Other payables	Yiwu Meipinshu Supply Chain Management Co., Ltd.	57,000.00	57,000.00
Other payables	Yiwu Digital Port Technology Co., Ltd.	26,300.00	26,300.00
Other payables	Huangyuan Shangbo	-	607,600,000.00
Other payables	Hangzhou Binjiang Shangbo Property Development Co., Ltd.	-	14,700,000.00
Other payables	Yiwu Shanglv	-	75,000.00
Other payables	Huishang Micro-finance	-	33,000.00
Other payables	Yiwu Gongchen Shangbo Property Co., Ltd.	-	3,000.00
Total		256,411,456.62	861,298,134.76

7. Related-party commitments

Applicable Not applicable

8. Others

Applicable Not applicable

XIII. Share-based payment

1. Overview of share-based payment

Applicable Not applicable

	Unit: Share	Currency: RMB
Total amount of equity instruments granted by the Company in the current period		-
The total amount of equity instruments exercised by the Company during the current period		-
The total amount of the Company's equity instruments that have lapsed during the current period		-
Scope of the exercise price of the stock options issued by the Company and the remaining period of the contract at the end of the period	The grant prices were RMB 2.94 and RMB 2.39, respectively, both in 60 months from the date of grant registration	
Scope of the exercise price of other equity instruments issued by the Company and the remaining period of the contract at the end of the period		

Other statements
Nil

2. Share-based payment settled with equity

Applicable Not applicable

Unit: RMB

Method for determining the fair value of equity	Market price on grant day
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instruments on the grant date	
Basis for determining the number of exercisable equity instruments	Determined based on the number of incentive objects that have reached the assessment target, through an annual assessment of the Company's financial performance indicators and personal performance indicators.
Reason for the significant difference between the estimates in the current period and in the previous period	
Cumulative amount of equity-settled share-based payments included in the capital reserve	49,830,088.86
Total amount of expenses recognized by equity-settled share payments in the current period	11,093,878.59

Other statements

On December 10, 2020, the 2020 fifth extraordinary general meeting of shareholders of the Company reviewed and approved the "Plan on the Company's Restricted Equity Incentive Plan 2020 (Draft)" and its summary. A total of 50,480,000 restricted shares were granted, accounting for about 0.927% of the Company's total share capital of 5,443,214,176 shares, of which 47,920,000 shares were granted for the first time and 2,560,000 shares were reserved. During the subscription process, 10 incentive objects voluntarily waived the restrictions to be granted to them due to personal reasons. Therefore, 46,700,000 restricted shares were actually granted this time, and the number of incentive objects was 395. On January 15, 2021, the Company's board of directors completed the registration of the first grant of restricted stocks.

After consideration and approval at the thirty-fifth meeting of the eighth the Board of Directors and the ninth meeting of the eighth Board of Supervisors of the Company held on August 9, 2021, in view of the fact that among the original incentive objects granted for the first time, 6 incentive objects including ZHAO Qitong no longer worked in the Company due to their position adjustments, and three incentive objects including HOU Wenbin had resigned due to personal reasons, according to the relevant regulations of the "Incentive Plan" and the authorization of the Fifth Provisional General Meeting of Shareholders in 2020, the Board of Directors of the Company decided to repurchase and canceled a total of 980,000 restricted shares granted to the above nine persons but yet to be released. The Company would repurchase and cancel the restricted shares held by the above-mentioned 9 persons that had been granted but not yet been released at the sum of interest calculated at RMB 2.885 per share and the fixed deposit interest rate announced by the People's Bank of China for the same period. The total amount of restricted stock repurchase funds this time was RMB 2.852 million, and the above-mentioned repurchase funds would all be paid with the Company's own funds.

On September 6, 2021, Zhejiang Zhicheng Certified Public Accountants (Special General Partnership) issued the capital verification report (Zhezhihuiyizi [2021] No. 17): The Company has received a total of RMB 5,592,600.00 for subscription of restricted shares from 31 restricted equity incentive objects, including RMB 2,340,000.00 in newly registered capital (share capital), and RMB 3,252,600.00 in capital reserve. The registered capital and share capital of the Company before the capital increase were both RMB 5,489,914,176.00, and the registered capital and share capital after the change were both RMB 5,492,254,176.00. During this grant registration process, in view of the fact that 3 of the incentive objects to be granted on the reserved grant date are no longer eligible for incentive objects due to their voluntary abandonment; 31 incentive objects actually subscribed this time, and 2.34 million shares were subscribed. On November 4, 2021, the registration procedures for the reserved grant of restricted stocks involved in this incentive plan were completed, and the Shanghai Branch of China Securities Depository and Clearing Corporation Limited issued the "Securities Change Registration Certificate".

The restricted stocks granted for the first time under the restricted equity incentive plan should be vested in three terms from the first trading day after 24 months after the grant registration is completed until the last trading day in 60 months after the grant registration is completed. That is, after the vesting conditions have been satisfied, employees have the right to purchase stocks at the vesting price. If the vesting conditions of the restricted equity incentive plan have been satisfied during the vesting period, the incentive objects can apply for the ownership of stocks and be listed for circulation.

3. Share-based payment settled with cash

Applicable Not applicable

4. Modification and termination of share-based payment

Applicable Not applicable

5. Others

Applicable Not applicable

XIV. Commitments and contingencies**1. Important commitments**

Applicable Not applicable

Important external commitments, nature and amount thereof as of the balance sheet dates

Unit: RMB Yuan

Capital commitments	June 30, 2022	2021
Signed but not provided	3,804,207,407.19	2,165,863,780.60

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 date of this report, the freeze period has been extended until September 2, 2022.

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, 2022, the Group had other investment commitments totaling RMB 1.20066 billion (December 31, 2021: RMB 1.28078 billion).

2. Contingencies

(1). Important contingencies on the balance sheet dates

Applicable Not applicable

Unit: RMB Yuan

Item	June 30, 2022	2021
Contingent liabilities resulting from the guarantee provided externally	130,383,441.89	158,634,169.67

According to relevant regulations, before the purchaser of the commercial housing sold by the Group has obtained the property certificate, the Group shall provide the purchaser with a bank mortgage guarantee. As of June 30, 2022, the unsettled guarantee amount was RMB 4,954,833.62 (December 31, 2021: RMB 5,063,333.60). Those guarantees would be released after the issuance of the property ownership certificates and are thus little likely to incur losses. Therefore, the management believed that it was not necessary to make provisions 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 an 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, 2020, Yiwu Shanglv actually borrowed RMB 255,976,751.57 (December 31, 2021: 296,505,577.63) from banks in total. According to the agreement of the guarantee contract, it assumed the guarantee liability of RMB 125,428,608.27 (December 31, 2021: RMB 145,287,733.04) for the Agricultural Bank of China Yiwu Branch. SCO provided a counter-guarantee for this guarantee.

(2). Notes shall also be made even if the Company has no important contingencies to be disclosed:

Applicable Not applicable

3. Others

Applicable Not applicable

XV. Post-balance sheet date events

1. Important non-adjusting events

Applicable Not applicable

Unit: RMB

Item	Content	Effect on financial status and operating results	Reasons for inability to estimate the effect
Medium-term note issuance	On July 18, 2022, the Company issued the third issue of medium-term note of RMB 500 million of Zhejiang China Commodities City Group Co., Ltd. in 2022, with a term of 3 years and annual interest payment at an interest rate of 3%.		
Ultra-short-term financing bond issuance	On July 26, 2022, the Company issued 61-day Zhejiang China Commodities City Group Co., Ltd.'s 2022 ultra-short-term financing bonds (II) for RMB 1 billion at the rate of 1.89 %.		
Acquiring Haier Network	On July 29, 2022, the Company completed the acquisition of Haier Network. For details, please refer to the "Announcement on the Progress of the Acquisition of 100% Equity Interests of Zhejiang Haier Network Technology Co., Ltd. and the Completion of Registration of Industrial and Commercial Changes" (L2022-040) disclosed by the		

	Company on the website of the Shanghai Stock Exchange on August 3, 2022.		
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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). Prospective application

Applicable Not applicable

2. Debt restructuring

Applicable Not applicable

3. Exchange of assets**(1). Exchange of non-monetary assets**

Applicable Not applicable

(2). Exchange of other assets

Applicable Not applicable

4. Annuity plan

Applicable Not applicable

5. Termination of operations

Applicable Not applicable

6. Information of divisions**(1). Determination basis and accounting policy of reporting divisions**

Applicable Not applicable

Information of divisions is reported based on business divisions of the Group. In the identification of region-based divisions, revenue is attributable to the divisions in the regions where the clients are located, and assets are attributable to the divisions in the regions where the assets are located. As the Group's main operating activities and operating assets are both concentrated in mainland China, it is not required to report more detailed information on region-based divisions.

The Group's businesses are organized and managed separately based on the nature of business and the products and services provided. Each business division of the Group is a business department or a subsidiary and provides the products and services that face the risk different from that faced by other business divisions and bring the compensations different from those brought by other business divisions. The detailed information on business divisions are summarized as follows:

(a) Market operation segment refers to the business that the Group is engaged in market operation, including the collection of business space usage fees and the rent of auxiliary buildings and office buildings;

(b) The commodities sales division engages in the purchase and sale of goods such as export trade;

(c) The hotel service division engages in the operation of hotels including accommodation and catering services;

(d) The exhibition advertising division engages in the design, production, placement and agency of advertisements;

(e) Other services division covers the provision of market-related auxiliary services.

The transfer pricing between divisions is made based on the prices offered to third parties and the then prevailing market prices.

(2). Financial information of reporting divisions

Applicable Not applicable

Unit: RMB million

Item	Market operation	Sales of goods	Hotel service	Exhibition and advertising	Other services	Set-offs among divisions	Total
Revenue from external transactions	1,495	2,401	91	18	202	-	4,207
Revenue from inter-division transactions	13	30	3	2	24	72	-
Profits before tax	1,500	-20	-15	-14	5	91	1,365
Total assets	39,207	1,133	449	156	5,557	16,295	30,207
Total liabilities	23,084	1,058	462	85	1,202	11,086	14,805
Capital expenditures	1,694	4	-	6	202	-	1,906
Long-term equity investment in joint ventures and associates	4,592	1	-	-	1,181	-	5,774

(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 influences on investors' decisions

Applicable Not applicable

8. Others

Applicable Not applicable

XVII. Notes to main items in financial statements of parent company

1. Accounts receivable

(1). Disclosure based on account age

Applicable Not applicable

Unit: RMB

Account age	Closing book balance
Within 1 year	25,212,421.40
1 to 2 years	120,212.00
2 to 3 years	100,234.00
Over 3 years	291,021.46
Total	25,723,888.86

(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	25,723,888.86	100.00	299,142.52	1.16	25,424,746.34	23,657,185.16	100.00	27,502.47	0.12	23,629,682.69
Among which:										
Accounts receivable for which the bad debts are provided by combination of credit risk characteristics	25,723,888.86	100.00	299,142.52	1.16	25,424,746.34	23,657,185.16	100.00	27,502.47	0.12	23,629,682.69
Total	25,723,888.86	/		/	25,424,746.34	23,657,185.16	/	27,502.47	/	23,629,682.69

Accounts receivable for which bad debt provision is made individually:

□Applicable √Not applicable

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

√Applicable □Not applicable

Items for which the bad debts are provided for by combination: by combination of credit risk characteristics

Unit: RMB

Name	Closing balance		
	Accounts receivable	Bad debt provision	Provision ratio (%)
Provision for bad debt by combination of credit risk characteristics	25,723,888.86	299,142.52	1.16
Total	25,723,888.86	299,142.52	1.16

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

□Applicable √Not applicable

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

√Applicable □Not applicable

Unit: RMB Yuan

Account age	June 30, 2022			2021		
	Estimated book balance in default	Expected credit loss rate (%)	Expected credit loss in whole duration	Estimated book balance in default	Expected credit loss rate (%)	Expected credit loss for the duration
Within 1 year	25,212,421.40	0.01	55.28	23,204,362.72	0.01	50.87
1 - 2 years	120,212.00	0.29	343.17	100,234.00	0.29	286.13
2 -3 years	100,234.00	7.70	7,722.61	352,588.44	7.70	27,165.47
Over 3 years	291,021.46	100.00	291,021.46	-	100.00	-
Total	25,723,888.86		299,142.52	23,657,185.16		27,502.47

(3). Provisions for bad debts√Applicable Not applicable

Unit: RMB

Category	Opening balance	Amount of change during the current period		Closing balance
		Provision	Recovery or reversal	
Bad debt provision for accounts receivable	27,502.47	271,640.05	-	299,142.52
Total	27,502.47	271,640.05	-	299,142.52

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
Interest receivable	3,107,715.32	92,249,275.44
Other receivables	650,325,879.32	1,114,837,610.55
Total	653,433,594.64	1,207,086,885.99

Other notes:

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

Unit: RMB

Item	Closing balance	Opening balance
Cash occupation fee for receivables	3,107,715.32	92,249,275.44
Total	3,107,715.32	92,249,275.44

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

Other notes:

Applicable Not applicable

As of June 30, 2022, the receivable capital occupation fee was the capital occupation fee collectible by the Company for providing financial assistance to joint ventures.

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	230,919,141.17
1 to 2 years	415,814,290.37
2 to 3 years	27,547.70
Over 3 years	4,337,665.60
Bad debt provision for other receivables	-772,765.52
Total	650,325,879.32

(2). Categorization by natureApplicable Not applicable

Unit: RMB

Nature of receivable	Closing book balance	Opening book balance
Financial assistance receivable from joint ventures	466,228,109.38	1,103,178,748.00
Reserve	606,564.85	267,208.49
Withholdings, deposit and	183,491,205.09	11,391,654.06

margin		
Total	650,325,879.32	1,114,837,610.55

(3). Bad debt provision
Applicable Not applicable

Unit: RMB

Bad debt provision	Phase I	Phase 2	Phase 3	Total
	Expected credit loss in the coming 12 months	Expected credit loss in the entire duration (credit has not been impaired)	Expected credit loss in the entire duration (credit has been impaired)	
Balance on January 1, 2022	893,309.10			893,309.10
Provision made in the current period	26,791.89			26,791.89
Current reversal	147,335.47			147,335.47
Balance on June 30, 2022	772,765.52			772,765.52

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	893,309.10	26,791.89	147,335.47	772,765.52
Total	893,309.10	26,791.89	147,335.47	772,765.52

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 the highest closing balance
Applicable Not applicable

Unit: RMB

Debtor	Nature of receivable	Closing balance	Account age	Weight in the total closing balance of other receivables (%)	Bad debt provision Closing balance
Yiwu Tonghui Shangbo Real Estate Co., Ltd.	Financial assistance	258,477,909.38	1-2 years	39.70	-
Yiwu Handing Shangbo Real Estate Co., Ltd.	Financial assistance	207,750,200.00	1-2 years	31.91	-
Yiwu Municipal Bureau of Finance	Land bid deposit	132,840,000.00	Within 1 year	20.40	-
Zhejiang Yuntong Advertising Co., Ltd.	Current accounts	596,580.00	Over 3 years	0.09	596,580.00
Yiwu Power Transmission and Transformation Engineering Co., Ltd.	Current accounts	491,207.00	1-2 years	0.08	-
Total	/	600,155,896.38	/	92.18	596,580.00

(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	4,246,947,937.33	570,000,000.00	3,676,947,937.33	4,190,057,937.33	570,000,000.00	3,620,057,937.33
Investment in associates and joint ventures	4,611,710,885.81	-	4,611,710,885.81	4,625,942,083.47	-	4,625,942,083.47
Total	8,858,658,823.14	570,000,000.00	8,288,658,823.14	8,816,000,020.80	570,000,000.00	8,246,000,020.80

(1) Investment in subsidiaries

Applicable Not applicable

Unit: RMB

Investee	Opening balance	Increase in the	Decrease in	Closing balance	Current	Closing
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		current period	the current period		provision for impairment	balance of impairment provision
Yiwu China Commodities City Financial Holdings Co., Ltd.	2,198,447,939.64	40,000,000.00	-	2,238,447,939.64	-	-
Haicheng Yiwu China Commodities City Investment Development Co., Ltd.	570,714,398.12	-	-	570,714,398.12	-	570,000,000.00
Yiwu Shangbo Yuncang Enterprise Management Co., Ltd.	300,000,000.00	-	-	300,000,000.00	-	-
Yiwu Commodities City Gonglian Property Co., Ltd.	200,000,000.00	-	-	200,000,000.00	-	-
Zhejiang China Commodities City Group Commercial Factoring Co., Ltd.	120,000,000.00	-	-	120,000,000.00	-	-
Yiwu China Commodities City Import and Export Co., Ltd.	101,431,713.08	-	-	101,431,713.08	-	-
Yiwu China Commodities City Big Data Co., Ltd.	101,431,713.10	613,230.13	-	102,044,943.23	-	-
Yiwu China Commodities City Supply Chain Management Co., Ltd.	100,796,692.53	-	-	100,796,692.53	-	-
Yiwu China Commodities City Overseas Investment and Development Co., Ltd.	100,790,663.70	-	-	100,790,663.70	-	-
Yiwu China Commodities City Tourism Development Co., Ltd.	100,476,265.41	-	-	100,476,265.41	-	-
Yiwu China Commodities City Logistics and Distribution Co., Ltd.	63,381,789.92	7,650,000.00	-	71,031,789.92	-	-
Zhejiang Huajie Investment and Development Co., Ltd.	61,860,722.12	9,150,000.00	-	71,010,722.12	-	-
Yiwu China Commodities	50,784,506.16	-	-	50,784,506.16	-	-

City Information Technology Co., Ltd.						
Hangzhou Shangbo Nanxing Property Co., Ltd.	50,000,000.00	-	-	50,000,000.00	-	-
Yiwu China Commodities City Exhibition Co., Ltd.	18,857,277.74	-	360,000.00	18,497,277.74	-	-
Yiwu Comprehensive Bonded Zone Operation and Management Co., Ltd.	18,692,136.32	5,200,000.00	-	23,892,136.32	-	-
Yiwu China Commodities City Assets Operation and Management Co., Ltd.	10,756,109.75	-	-	10,756,109.75	-	-
Yiwu China Commodities City Advertising Co., Ltd.	9,993,230.13	-	9,993,230.13	-	-	-
Yiwu China Commodities City Research Institute Co., Ltd.	5,795,057.77	3,130,000.00	-	8,925,057.77	-	-
Zhejiang Yindu Hotel Management Co., Ltd.	5,747,721.84	1,500,000.00	-	7,247,721.84	-	-
Yiwu China Commodities City Commerce and Trade Service Training Center Co., Ltd.	100,000.00	-	-	100,000.00	-	-
Total	4,190,057,937.33	67,243,230.13	10,353,230.13	4,246,947,937.33	-	570,000,000.00

(2) Investment in associates and joint ventures

√Applicable □Not applicable

Unit: RMB

Investment Unit	Opening Balance	Change in the current period			Closing Balance	Closing balance of impairment provision
		Decrease in investment	Investment gains or losses recognized with the equity method	Declared a cash dividend or profit		
1. Joint ventures						
Yiwu Shanglv	383,668,354.21	-	6,573,467.38	-	390,241,821.59	-
Yiwu Rongshang Property	217,387,537.94	-	473,231,114.45	580,865,600.00	109,753,052.39	-
Yiwu Chuangcheng Property	88,063,325.80	-	107,911,035.49	60,000,000.00	135,974,361.29	-
Others	50,165,047.97	-	13,894,657.76	-	64,059,705.73	-
Sub-total	739,284,265.92	-	601,610,275.08	640,865,600.00	700,028,941.00	-
2. Associates						
Huishang Micro-finance	82,824,696.64	-	1,060,693.70	-	83,885,390.34	-
Chouzhou Financial Lease	426,020,849.24	-	35,669,149.76	-	461,689,999.00	-
Pujiang Lvgu	449,927,811.36	-	9,866,449.40	88,200,000.00	371,594,260.76	-
CCCP	2,785,883,275.44	-	101,129,301.72	-	2,887,012,577.16	-
Others	142,001,184.87	24,500,000.00	3,843,885.74	13,845,353.06	107,499,717.55	-
Sub-total	3,886,657,817.55	24,500,000.00	151,569,480.32	102,045,353.06	3,911,681,944.81	-
Total	4,625,942,083.47	24,500,000.00	753,179,755.40	742,910,953.06	4,611,710,885.81	-

Other notes:

Nil.

4. Operating revenue and operating cost

(1). Overview of operating revenue and operating cost

√Applicable □Not applicable

Unit: RMB

Item	Amount in the current period		Amount in the previous period	
	Revenue	Cost of sales	Revenue	Cost of sales
Main business	1,286,870,280.06	399,897,158.60	1,381,597,109.86	380,762,791.32
Other businesses	149,950,265.32	44,272,476.43	206,449,135.92	48,328,145.43
Total	1,436,820,545.38	444,169,635.03	1,588,046,245.78	429,090,936.75

(2). Incomes from contracts

√Applicable □Not applicable

Unit: RMB

Classified by type of contract	Total
Types of goods	
The use of shops in the China Commodities Cities and its supporting services	1,251,678,340.58
Hotel accommodation and catering services	81,585,551.03
Revenue from use fees	26,106,833.33
Other services	8,738,847.96
Classified by business area	
Chinese mainland	1,368,109,572.90
Classified by contract period	
Revenue confirmed at certain time point	
Hotel catering services	47,609,814.93
Other services	5,417,292.40
Revenue confirmed during certain time period	
The use of shops in the China Commodities Cities and its supporting services	1,251,678,340.58
Hotel accommodation service	33,975,736.10
Revenue from use fees	26,106,833.33
Other services	3,321,555.56
Total	1,368,109,572.90

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 yuan

Type of contract	Current period
The use of shops in the China Commodities Cities and its supporting services	1,221,787,479.88
Hotel accommodation service	7,036,462.25
Total	1,228,823,942.13

(3). Contract performance obligations

√Applicable □Not applicable

The information related to the performance obligations of the Group is as follows:

The use of shops in the China Commodities Cities and its supporting services

The contractual performance obligation is fulfilled when providing the use of shops in the China Commodities Cities and the supporting services for business. For the use of shops in the China Commodities Cities and the supporting services for business, the progress of contract performance is determined based on the number of using days of the shops. Customers usually need to pay in

advance before the use of shops in the China Commodities Cities 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 services are provided. For the fixed-time paid funding service, the progress of contractual performance is determined based on the number of using days of the fund. For the fixed-time paid funding service, the contract price is usually charged regularly as agreed in the contract.

(4). Amortization to remaining contract performance obligations

Applicable Not applicable

Other notes:

On June 30, 2022, the transaction price allocated to the remaining performance obligations was RMB 1,927,881,713.96. 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 yuan

Item	Amount in the current period	Amount in the previous period
Income from long-term equity investment calculated with the equity method	753,179,755.40	242,367,812.14
Investment income from disposal of long-term equity investment	883,324.49	-
Investment income from disposal of held-for-trading financial assets	29,078.03	42,837.72
Total	754,092,157.92	242,410,649.86

Other notes:

Nil

6. Others

Applicable Not applicable

XVIII. Supplements

1. Detailed statement of current non-recurring items

Applicable Not applicable

Unit: RMB yuan

Item	Amount	Explanation
Gain or loss from the disposal of non-current assets	-54,710.90	
Government grants that are recognized in the current profit or loss, excluding government grants that are closely related to the businesses of the Company and are provided in a fixed amount or quantity according to the unified national standards	16,645,616.31	
Cash occupation fees charged from non-financial enterprises that are recognized in the current profit or loss	32,264,049.60	

Gain or loss from changes in fair value of held-for-trading financial assets, derivative financial assets, financial liabilities held for trading and derivative financial liabilities, and investment income from the disposal of held-for-trading financial assets, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt instruments, except for effective hedging during the ordinary course of business	-390,717.89	
Other operating incomes or expenses	3,443,596.86	
Other profit or loss items that meet the definition of non-recurring profit or loss	26,619.73	
Less: affected amount of income tax	10,410,076.49	
affected amount of minority equity (after tax)	1,034,205.05	
Total	40,490,172.17	

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

Applicable Not applicable

2. ROE and EPS

Applicable Not applicable

Profits in the reporting period	Weighted average ROE (%)	EPS	
		Basic EPS	Diluted EPS
Net profits attributable to common shareholders of the Company	8.05	0.22	0.22
Net profits attributable to common shareholders of the Company after deducting non-recurring gains and losses	7.78	0.22	0.22

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

Applicable Not applicable

4. Others

Applicable Not applicable

Chairman of Board of Directors: ZHAO Wenge

Date of approving by the Board of Directors for release: August 18, 2022

Amendment

Applicable Not applicable