

Company Code: 600415

Stock Short Name: 小商品城

**Zhejiang China Commodities City Group  
Co., Ltd.  
Semi-annual Report for 2021**

### Important Note

- I. The board of directors, the board of supervisors, directors, supervisors, and senior management of the Company guarantee that the contents of the semi-annual report are true, accurate, and complete, and that there are no false records, misleading statements or major omissions, and that they are willing to bear individual and joint legal liabilities for above statements.
- II. All directors of the Company were present at the board meeting.
- III. This semi-annual report has not been audited yet.
- IV. ZHAO Wenge, Head of the Company, WANG Dong, Head in charge of accounting, and ZHAO Difang, Head of the accounting department (Accounting Supervisor), declare that they warrant the truthfulness, accuracy and completeness of the financial report in the 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

None

### 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 “(i) Possible Risks” in “Section 3 Discussion and Analysis of Operation” in this report.

**XI. Others**

Applicable Not applicable

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Documents for Inspection	Accounting statements with the signatures and stamps of the person in charge of the Company, person in charge of accounting and person in charge of the accounting department.
	Resolutions of the 35 <sup>th</sup> Meeting of the 8 <sup>th</sup> Board of Directors, resolutions of the 9 <sup>th</sup> Meeting of the 8 <sup>th</sup> Board of Supervisors
	Written confirmation opinions of directors, supervisors and senior management on the Company's 2021 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.
CCCP	means	Yiwu China Commodities City Property Development Co., Ltd.
CCCH	means	Yiwu China Commodities City Holdings Limited
Huishang Micro-finance	means	Yiwu Huishang Micro-finance Co., Ltd.
Haicheng Company	means	Haicheng Yiwu China Commodities City Investment Development Co., Ltd.
Binjiang Shangbo	means	Hangzhou Binjiang Shangbo Property Development Co., Ltd.
Yiwu Shanglv	means	Yiwu Shanglv Investment Development Co., Ltd.
Chouzhou Financial Lease	means	Zhejiang Chouzhou Financial Lease Co., Ltd.
Yiwu Shangbo	means	Yiwu Shangbo Property Co., Ltd.
Gongchen Shangbo	means	Yiwu Gongchen Shangbo Property Co., Ltd.
Huangyuan Shangbo	means	Yiwu Huangyuan Shangbo Property Co., Ltd.
Meipinshu	means	Yiwu Meipinshu Supply Chain Management Co., Ltd.
Big Data Company	means	Yiwu China Commodities City Big Data Co., Ltd.
Tonghui Shangbo	means	Yiwu Tonghui Shangbo Real Estate Co., Ltd.
Handing Shangbo	means	Yiwu Handing Shangbo Real Estate Co., Ltd.
Chengzhen Property	means	Yiwu Chengzhen Property Co., Ltd.
Digital Port	means	Yiwu Digital Port Technology Co., Ltd.
Redbud Capital	means	Yiwu Huishang Redbud Capital Management Co., Ltd.
The Company, the Listed Company or the Group	means	Zhejiang China Commodities City Group Co., Ltd.

## Section II. Company Profile and Financial Highlights

### I. Company profile

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

### II. Contact information

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

### III. 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
Search index for the change during the reporting period	www.sse.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
Search index for the change during the reporting period	www.sse.com.cn

### 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	None

### VI. Other relevant information

Applicable Not applicable

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

Major accounting data	Current reporting period (Jan-Jun)	Jan-Jun 2020	Unit: RMB
			Increase/decrease during the reporting period over the same period of the previous year (%)
Operating income	2,072,627,727.00	2,121,448,794.31	-2.30
Net profits attributable to shareholders of the Listed Company	850,514,460.93	719,595,308.66	18.19
Net profits attributable to shareholders of the Listed Company with non-recurring items excluded	804,980,899.44	602,193,801.96	33.67
Net cash flow from operating activities	166,735,824.75	-703,066,700.16	Not applicable
	As of the end of the current reporting period	As of the end of 2020	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	14,066,655,036.17	13,558,228,377.08	3.75
Total assets	29,713,907,698.33	28,750,127,146.86	3.35

**(ii) Major financial indicators**

Major financial indicators	Jan-Jun 2021 (Jan-Jun)	Jan-Jun 2020	Increase/decrease during the reporting period over the same period of the previous year (%)
	Basic EPS (RMB)	0.16	
Diluted EPS (RMB)	0.15	0.13	15.38
Basic EPS after deducting non-recurring gains and losses (RMB/share)	0.15	0.11	36.36
Weighted average ROE (%)	6.09	5.38	Up 0.71 ppt
Weighted average ROE after deducting non-recurring gains and losses (%)	5.77	4.50	Up 1.27 ppt

Illustration on major accounting data and financial indicators

√Applicable □Not applicable

1. The net profit attributable to shareholders of the listed company increased by RMB 131 million over the same period of the previous year, mainly due to the increase of RMB 145 million in investment income over the same period last year.

2. The net profit attributable to shareholders of the listed company after deduction of the non-recurring gains and losses increased by RMB 203 million over the same period of the previous year. This was mainly due to an increase of RMB 131 million in net profit attributable to shareholders of the listed company in the same period of the previous year, and a decrease of RMB 72 million in non-recurring gains and losses.

3. The net cash flow from operating activities increased by RMB 870 million year-on-year. The main reasons include that, the cash received from selling goods and providing labor services increased by RMB 496 million year-on-year, the cash paid for purchasing goods and receiving labor services increased by RMB 344 million year-on-year, and the deposit of fixed deposits in the same period last year caused other cash paid related to operating activities decreased by RMB 576 million year-on-year.

#### 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	Remark (if applicable)
Gain or loss from the disposal of non-current assets	-630,703.53	
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	8,679,086.10	The main reasons include that, the value-added tax deductible input tax for taxpayers of production and living services plus 100% was used to deduct tax payable for RMB 2.8458 million, the special incentive fund for modern supply chain system innovation for 2020 was RMB 2.6827 million, the opening-up promotion reward from for 2020 was RMB 960,700, the subsidy for pilot counties in service industry for 2020 was RMB 500,000, the interest subsidy for funding of the construction of the International Expo Center was RMB 577,400, and the reward for general trading companies was RMB 336,200, and so on.
Cash occupation fees charged from non-financial enterprises that are recognized in the current profit or loss	50,288,507.85	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	1,171,429.82	Mainly changes in the fair value of held-for-trading assets



debt instruments, except for effective hedging during the ordinary course of business		
Net income from other non-operating activities	955,973.37	Mainly confiscated deposits, collected liquidated damages and other similar items for RMB 1.139 million, external donations for RMB 200,000, etc.
Effect of minority interest	-91,655.24	
Effect of income tax	-14,839,076.88	
Total	45,533,561.49	

**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**

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

#### **(i) Main businesses**

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

#### **(ii) Operating model**

##### **1. Market operation**

Market operation business is mainly operated and managed by the Company's subordinate market branches. The main business income of the market operation segment is mainly the income from the use of commercial space. The Company adopts a commercial space rental model, that is, the ownership of the commercial space belongs to the Company, and the merchants only have the right to use the commercial space within the contract period. The Company and the merchant sign a contract to clearly stipulate the use period, usage fee and business purpose of the commercial space. 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](http://www.chinagoods.com), referred to as "chinagoods platform") provides service for 2 million small, medium and micro enterprises in the upper reaches of the industry chain. With trade data integration as the core driver, it meets the needs of both supply and demand parties in manufacturing, display transactions, warehousing and logistics, financial credit, market management and other links to achieve effective and accurate allocation of market resources, and build a true, open, and integrated digital trade comprehensive service platform.

##### **3. Hotel services**

The hotel service business is mainly operated and managed by the Company's subordinate hotel branches. The hotels operated by the Company mainly provide comprehensive services such as accommodation, catering, leisure and entertainment, and conferences, etc. The main revenue sources of the hotels include room sales, catering sales, commodity sales and venue leasing, etc.

Sales of guest rooms and catering mainly rely on channels such as clients agreement, conferences, wedding banquets and recommendation by operators of online booking platforms.

## **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 2million products, which fall in 26 categories and supports one-stop purchase. The market boasts enormous resources and huge business flow, goods flow, cash flow and information flow.

### **(ii) Brand advantages**

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

### **(iii) Auxiliary services advantages**

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

#### **1. Convenient logistics system**

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

#### **2. Industry support**

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

mechanism under which the Yiwu wholesales market and the peripheral industry cluster develop together has been formed.

### 3. Support for exhibition service

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

#### **(iv) Diversified businesses**

The Company has strengthened its presence in the related industries, made efforts on financial investment, kept developing the exhibition business, created a new e-commerce model, developed the hotel business and also run international trade, modern logistics, advertising information, shopping and tourism businesses. It has created a group structure and profit-making model of shared and interactive development of market resources.

#### **(v) Management advantages**

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

#### **(vi) Advantage of online and offline platform integration**

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

#### **(vii) Advantage of international logistics**

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

**(viii) Advantage of data integration**

Based on the logistics platform data, the Company has built a domestic warehousing and construction platform chinagoods, integrated logistics and freight forwarding services, and constructed overseas warehouses. At the same time, with lower debt financing costs, the Company has formed the integration of logistics, information flow and capital flow for the export trades of merchants of YIWU CCC merchants to develop supply chain finance and provide merchants in the market with supply chain financial services at lower loan interest rates.

**III. Discussion and analysis of operation status****(i) Market operation**

2021 is the first year of the "14th Five-Year Plan" period, the 100<sup>th</sup> anniversary of the founding of the Communist Party of China, and the 15<sup>th</sup> anniversary of learning and promoting the "Yiwu's Experience in Development". On the afternoon of June 28, the National "Outstanding Party Workers, Outstanding Party Members, and Advanced Grassroots Party Organizations" commendation meeting was held in the Great Hall of the People in Beijing. The Central Committee of the Communist Party of China awarded the Group's party committee the title of "National Advanced Grassroots Party Organization" to encourage all employees of the Company to strive for the first place, make contributions, and give full play to the role of pioneer and battle fortress.

During the reporting period, the Company focused on digital empowerment, domestic and international trade chain expansion and institutional innovation, to improve the quality of goods, to serve businessmen, to empower enterprises, to improve the efficiency of management, and constantly promote the prosperity of the market. During January - June, the market turnover reached RMB 96.44 billion, a year-on-year increase of 48.5%. The occupancy rate of business spaces remained above 97%, with steady and positive market operation, the Company has further consolidated its leading advantage in the commodity market has been further consolidated.

(1) Intelligent upgrading of epidemic prevention and control: Based on the precision intelligent control system of "standardization, access system, prohibitions, inspection system and information", promote the construction of intelligent bayonet for epidemic prevention and control, so that people of the market can enter and leave "without feeling".

(2) Continues to accelerate market transformation, and the four major actions of design, standards, live broadcasting and "entering the market" for college students are continuously implemented to build the core market competitiveness with innovation, design, brand, quality and standards as the main contents. During the reporting period, the Company successfully docked with 35 colleges and universities, organized 400 design talents to introduce more than 4,000 new products, and completed the "CCC Cup" design competition; conducted the standard publicity thorough the

whole market, and docked with Yiwu Standard Research Institute to conduct 43 merchant standard training sessions that trained more than 5,500 merchants; organized 418 merchants to carry out cross-border live broadcasts, completed cross-border trade matching meetings such as the Hainan Consumer Fair and the West China Fair; completed the docking with 50 domestic universities such as Zhejiang University and Zhejiang Sci-Tech University, and inspected 660 sinking channel layout points. During the reporting period, the number of merchants launching new products every month in the market accounted for 51.6%, 24 major industries have achieved operations under express standard, more than 40,000 merchants have carried out live broadcast training, and the proportion of merchants with a college degree or above reached 26.4 % of total.

(3) Expanded service network for domestic trade The Company has established domestic trade expansion investment promotion liaison offices in 8 provinces across the country, set up 10 investment promotion teams, completed 203 visits to the comprehensive pilot areas and trade markets, accurately docked with 484 enterprises and business associations, and signed cooperation contracts with 10 secondary markets in Dongguan, Kashgar and some other places and increased the number of members of the domestic professional market alliances to 25.

(4) Exploration and innovation of trade exhibition mode The Company has held seven docking activities such as 10,000 mile market tour, and 10,000 mile market tour for Yiwu goods in Chongqing, Hainan and some other places. During the Fifth China Yiwu Hardware & Electrical Appliance Expo, for the first time, the Company has completely achieved the digitization of the procurement, verification and settlement process and introduced the team live broadcasting. There were nearly 260,000 visits to the online live broadcasting. The Company also held a special matchmaking meeting for online and offline overseas procurement simultaneously, so as to achieve the intended transaction amount of more than RMB 10 million. The Company has successfully held the Benin (West Africa) International Online Exhibition and completed more than 60 precise negotiations.

(5) The Digital Comprehensive Bonded Zone has successfully passed the pre-acceptance and the investment attraction for the 85% of the completed area in the first phase has been completed; the Company has started the construction of a new important market and completed the main structure of the first phase and attracted 700 merchants; for the market in the sixth zone of the International Trade City, the first phase is expected to be started by the end of this year.

#### **(ii) Promote trade digitalization**

Build a digital market: With information means, collect market operation data, to build a human, product, field digital portrait system. According to the portrait reconstruction trade scene, design application products, provide procurement full process, full cycle of operation, operation and

maintenance of a full range of digital services, comprehensively improve the ability and level of market enabling trade.

During the reporting period, the Company optimized the digital functions and applications of the chinagoods platform for display transactions, logistics performance, trade finance, overseas interconnection and some other fields in depth. The big data company (the operator of the chinagoods platform) has realized a profit of RMB 7.7391 million in the first half of 2021. The platform has achieved profitability after it has officially launched for 8 months. By the end of the reporting period, the number of front-end shops on the platform was 59,000, the cumulative number of SKUs on the shelves exceeded 3 million, the number of registered purchasers reached over 969,500, the average daily number of the IP visits reached nearly 65,000, and the platform GMV had reached RMB 6.8 billion; digital trading cockpit 2.0 had completed the first phase of development and online testing; the digital logistics module has realized one-stop digital logistics service functions such as short-distance transfer, express delivery, and international logistics; the payment settlement module, in cooperation with Lianlian Payment, had achieved multiple payment channels such as online banking payment, cloud quick payment and quick payment; more than 40,000 merchants had opened payment functions, and actively obtained third-party payment licenses; 31,395 Guokuanbao users (including 80 foreign trade companies) had obtained credit lines of more than RMB 55.1 billion in total; digital warehousing module and large warehousing management system have been put into use Global Yida Industrial Park, Houzhai Small and Micro Storage Park, and 3 overseas warehouses in Canada, Spain, and Malaysia; the Company has built a full-link supply chain intermediary platform to accurately dock channel resources, provide one-drop shipping service, and solve the difficulty of living broadcasting organizations in selecting products. Currently, there are 60 suppliers settled in the platform, with more than 3,000 SKUs on the shelves.

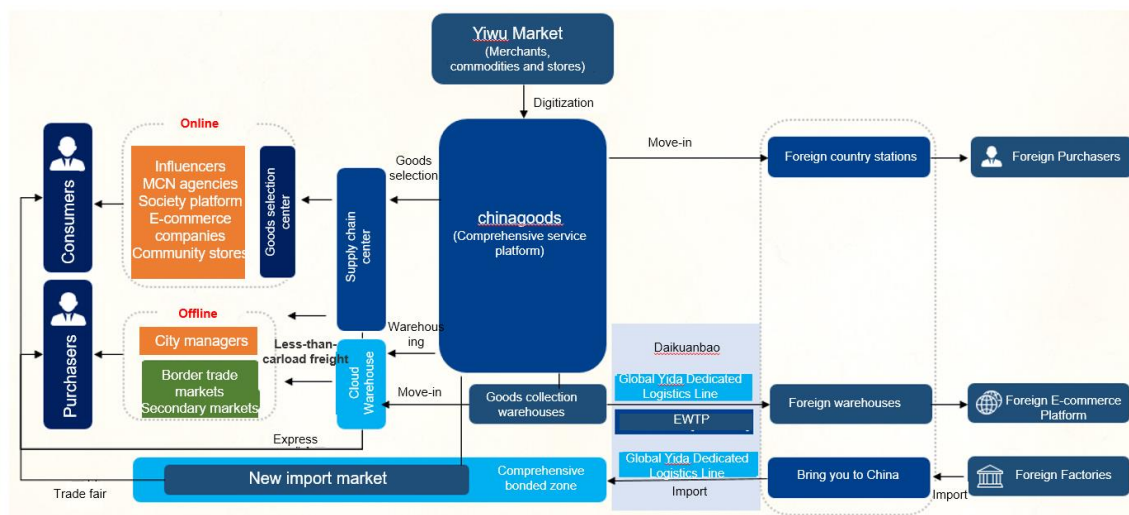
The Company is actively deploying four licenses of payment, factoring, credit investigation, and small-sum loans to build a complete import and export trade service performance system and promote the digital upgrade of market procurement trade. On the one hand, it has effectively improved the financial service capabilities for business users, and on the other hand, it has formed a closed-loop ecosystem of capital flow and information flow on the chinagoods platform. With payment services as the flow entrance, supported by the precipitation of real trade and logistics data across the entire link, it is to build corporate credit reporting service capabilities, and then develop factoring business to enhance platform profitability, solve the pain points of the industry and keep boosting the prosperity of the market.

The Company has made full efforts to promote the construction of data center, accelerate the development of digital tools such as Guanjiabao, and accelerate the manifestation of trade data. The Company has built a database, carried out the collection of basic market data, Yixinbu data, chinagoods platform data, exhibition data, hotel data, and company system docking, and completed

the establishment of the labeling system of merchants in the six major sectors including merchant basic information, operation, evaluation, credit, service, and property.

The overall business framework of chinagoods:

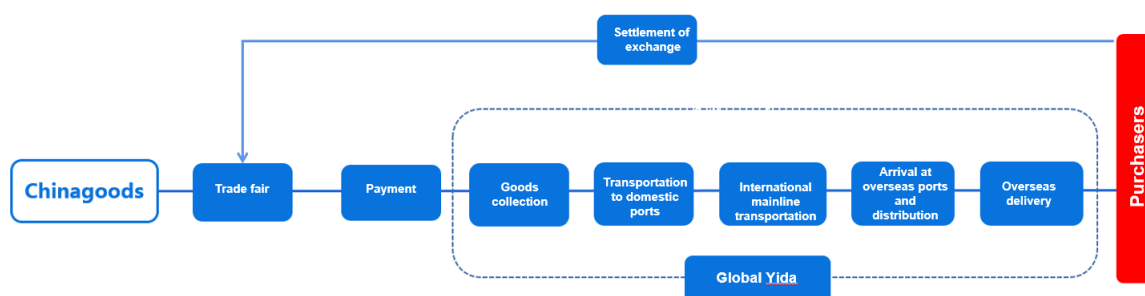
Integration of online and offline, and linkage of domestic and foreign trades to create a digital free trade hub.



### (iii) Industry pattern and trend and future development of the Company

The Company will focus on the market procurement trade track, build a contract performance system serving the global mass trade and fragmented trade, and form an infrastructure network with Yiwu as the center and connecting the whole world.

Contract fulfillment flowchart of chinagoods and Global Yida platforms



The market procurement trade method (Customs Code 1039) refers to a trade method aiming market with multiple variety, small batch, and multiple transactions, in which qualified operators purchase in the recognized market agglomeration area, the value of a single-ticket declaration does not exceed USD 150,000, and the customs clearance procedures for export commodities are handled at the designated port. For goods exported through market procurement trade, the preferential policy of VAT exemption and refund shall be implemented; Customs declaration by category to facilitate customs clearance measures; The supply merchants without import and export right are allowed to collect and settle foreign exchange directly.



The market procurement trade mode has the characteristics of flexible and diverse participants, low transaction cost, common trade consolidation cabinets, and integration of domestic trade and foreign trade. In 2020, in the market procurement trade, the size was RMB 706 billion nationwide, and RMB 305.6 billion in Yiwu area. It is expected that the size of the national market procurement trade will exceed RMB 1 trillion in 2021.

Currently, the market procurement trade faces some problems such as continuous rising storage costs, unsatisfactory warehousing needs, high financial pressure on operating entities, weak bargaining power with shipping companies and other actual carriers, unguaranteed positions, high spot advance costs, few financing channels, and difficulty in fund recovery and exchange settlement. In this context, the Company has established the chinagoods platform and the Global Yida logistics and trade platform to face the global mass trade and fragmented trade. Especially using the 1039 market procurement trade method, it matched the demands of supply and demand parties in the production, manufacturing, display and trade, warehousing and logistics, financing loans, market management and some other links to achieve the effective and precise allocation of market resources, provide digital cross-border logistics solutions, payment guarantee solutions, and gradually realize online consolidation, online order and payment, and online Financing, online booking, and full link visualization, form a logistics price comparison mechanism in order to provide trading entities with more convenient, efficient, and low-cost integrated services and make trade easier.

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	Current reporting period of Jan-Jun 2021	Reporting period of Jan-Jun 2020	YoY change (%)
Operating income	207,262.77	212,144.88	-2.30
Cost of sales	92,541.06	86,922.76	6.46
Selling expenses	7,404.29	8,788.71	-15.75
General and administrative expenses	16,669.89	13,045.09	27.79
Financial expenses	4,735.10	9,127.19	-48.12
R&D expenses	456.91	1,708.12	-73.25
Net cash flow from operating activities	16,673.58	-70,306.67	Not applicable
Net cash flow from investing activities	-3,616.21	61,702.57	-105.86
Net cash flow from financing activities	-20,435.12	13,001.06	-257.18

Reasons for the change to financial expenses: mainly due to decreased interest expenses in the reporting period year over year.

Reasons for the change to R&D expenses: mainly due to decreased spending on R&D in the reporting period year over year.

Reasons for changes in net cash flow from operating activities: Mainly because the cash received from selling goods and providing labor services increased by RMB 496 million year-on-year, and the cash paid for purchasing goods and accepting labor services increased by RMB 344 million year-on-year, and some items such as fixed deposits in the same period last year for RMB 500 million led to a year-on-year decrease of other cash paid related to operating activities for RMB 576 million.

Reasons for changes in net cash flow from investment activities: Mainly because the received investment income and the net cash flow related to long-term assets and others increased by RMB 253 million year-on-year, and some reasons such as payment of RMB 1.225 billion for the capital increase of CCCP led to year-on-year growth of net cash flow paid for investment for RMB 491 million, and the year-on-year drop of net cash of financial aids for RMB 417 million.

Reasons for changes in net cash flow from financing activities: Mainly because the net inflow of financing during the current period decreased by RMB 99 million year on year, and cash paid for dividends and interest payments increased by RMB 241 million year-on-year increase.

**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

Unit: RMB Yuan

Item	January-June 2021	January-June 2020	YoY change	Percentage change ±%
Market operation	1,119,528,495.20	1,009,159,906.85	110,368,588.35	10.94
Sales of goods	-19,667,101.32	-5,694,034.94	-13,973,066.38	Not applicable
Real estate sales	-	-5,656,548.46	5,656,548.46	Not applicable

Hotel service	-15,043,356.54	-21,014,757.95	5,971,401.41	Not applicable
Exhibition and advertising	-17,830,866.21	-23,032,242.66	5,201,376.45	Not applicable
Other businesses	-7,166,013.33	39,266,533.26	-46,432,546.59	-118.25
Profits before tax	1,059,821,157.80	993,028,856.10	66,792,301.70	6.73

1. The operating profit from the market increased by RMB 110 million year-on-year, mainly due to the year-on-year increase in investment income calculated under the equity method in the statements of CCCP.

2. The profit of other businesses decreased by RMB 46 million year-on-year, mainly due to the decrease in the income from the fair value change of the new financial instruments standards implemented by the CCCF.

**(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

Project	Amount at the end of the current period	% of total assets at the end of the current period	Amount at the end of the same period of 2020	Percentage of the closing balance of the previous year to the total assets (%)	Percentage of difference between the closing balance of the current period and the closing balance of the previous year (%)	Reasons for change
Monetary capital	301,963.54	10.16	561,264.29	19.52	-46.20	
Held-for-trading financial assets	5,756.80	0.19	5,171.27	0.18	11.32	
Receivables	13,960.36	0.47	15,357.35	0.53	-9.10	
Advance from customers	59,638.27	2.01	10,518.75	0.37	466.97	Mainly due to the growth of the product sales and the increase in advance payment
Other receivables	307,248.68	10.34	270,847.81	9.42	13.44	
Inventories	139,719.26	4.70	132,946.77	4.62	5.09	
Other current assets	23,709.17	0.80	17,972.47	0.63	31.92	
Long-term receivables	18,609.47	0.63	12,675.66	0.44	46.81	Mainly due to the increase in the financial aid receivable from Dubai Project Company
Long-term equity investment	528,451.99	17.78	383,289.75	13.33	37.87	Mainly due to the increase in capital of CCCP
Other equity	58,825.42	1.98	66,225.63	2.30	-11.17	

instruments investment						
Other non-current financial assets	156,552.35	5.27	152,392.53	5.30	2.73	
Investment real estate	191,412.53	6.44	196,042.63	6.82	-2.36	
Property, plant and equipment	504,324.53	16.97	523,429.38	18.21	-3.65	
Construction in progress	201,159.72	6.77	98,289.19	3.42	104.66	Mainly due to the payment for construction projects such as comprehensive protection zones
Right-of-use assets	17,980.43	0.61	-	-	Not applicable	Presented for the adjustment under the new standard for lease
Intangible assets	398,931.80	13.43	390,078.10	13.57	2.27	
Development expenditures	3,645.63	0.12	2,222.31	0.08	64.05	Mainly due to the payment for R&D fee
Long-term deferred expenses	8,847.97	0.30	11,072.87	0.39	-20.09	
Deferred tax assets	8,591.30	0.29	9,966.43	0.35	-13.80	
Other non-current assets	22,061.54	0.74	15,249.52	0.53	44.67	Mainly due to the payment for equity transfer in the current period
Short-term loans	123,489.05	4.16	125,717.94	4.37	-1.77	
Accounts payable	80,740.11	2.72	63,646.38	2.21	26.86	
Advances from customers	10,818.54	0.36	11,275.29	0.39	-4.05	
Contract liabilities	252,559.87	8.50	244,221.18	8.49	3.41	
Employee compensations payable	5,211.97	0.18	16,149.90	0.56	-67.73	Mainly due to the payment for accrued year-end benefits in 2020
Taxes payable	23,206.16	0.78	49,540.05	1.72	-53.16	Mainly due to the payment for taxes and fees accrued
Other payables	177,577.27	5.98	164,634.56	5.73	7.86	
Non-current liabilities due within one year	203,184.92	6.84	131,502.66	4.57	54.51	Presented corporate debts due in one year
Other current liabilities	306,178.55	10.30	302,360.80	10.52	1.26	
Long-term loans	60,400.00	2.03	28,200.00	0.98	114.18	Mainly added long-term borrowings due during the current period
Bonds payable	278,607.64	9.38	355,216.17	12.36	-21.57	Removed corporate debts due in one year
Lease liabilities	17,587.80	0.59	-	-	Not applicable	Presented for the adjustment under the new standard for lease
Estimated	11,062.03	0.37	11,062.03	0.38	-	

liabilities						
Deferred incomes	2,583.45	0.09	2,654.53	0.09	-2.68	
Deferred income tax liabilities	9,583.33	0.32	11,360.29	0.40	-15.64	

Other descriptions

None

## 2. Overseas assets

Applicable Not applicable

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

Applicable Not applicable

Unit: RMB

Item	End of June 2021	End of year 2020
Monetary capital	60.68	60.58
Long-term equity investment	102,918,559.00	102,918,559.00
Other non-current financial assets	617,511,352.00	617,511,352.00
Total	720,429,971.68	720,429,971.58

1. On June 30, 2021, bank deposits with a book value of RMB 60.68 (December 31, 2020: RMB 60.58) were restricted for ownership or use rights due to being as security deposits for obtaining commercial housing mortgage loan.

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

## 4. Other descriptions

Applicable Not applicable

### (iv) Analysis of investments

#### 1. Overview of external equity investment

Applicable Not applicable

At the end of June 2021, the foreign investment amount was RMB 7,495,865,600 (including trading financial assets of RMB 57,568,000, investment in other equity instruments of RMB 588,254,200, other non-current financial assets of RMB 1,565,523,500, and long-term equity investment of RMB 5,284,519,900), an increase of 23.47% compared with RMB 6,070,791,800 at the end of the previous year (including trading financial assets of RMB 51,712,700, investment in other equity instruments of RMB 662,256,300, other non-current financial assets of RMB 1,523,925,300, and long-term equity investment of RMB 3,832,897,500), an increase of RMB 1,425,073,800. The main changes are as follows:

1. Long-term equity investment during the reporting period increased by RMB 1,451,622,400 year-on-year, mainly because:

1. During the reporting period, the new long-term equity investment was RMB 1,299,192,100, including RMB 1.225 billion for Yiwu China Commodities City Property Development Co., Ltd. , RMB 30 million for Yiwu Huishang Redbud Phase II Investment Partnership (LLP), RMB 24.2671 million for JEBEL ALI FREE ZONE TRADER MARKET DEVELOPMENT AND OPERATION FZCO, RMB 17.85 million for Yiwu Digital Port Technology Co., Ltd., RMB 1.075 million for Zhejiang Yixinou Supply Chain Management Co., Ltd., and RMB 1 million for Quanzhou Huayun Tiancheng E-commerce Co., Ltd.

2. The net investment income accrued under the long-term equity investment equity method was RMB 263,789,000, the dividend distributed by Binjiang Shangbo distributed was RMB 98 million, and others were RMB -13.3585 million.

2. During the reporting period, the investment in other equity instruments decreased by RMB 74.0021 million year-on-year, which was the gains and losses for changes in fair value of Shenwan Hongyuan Group Co., Ltd. during the reporting period for RMB 74.0021 million.

3. During the reporting period, the trading financial assets increased by RMB 5.8553 million year-on-year, including, an increase of RMB 8.50 million for purchase of bank financing products, the gains and losses for changes in fair value of Orient International Ventures Co., Ltd. during the reporting period were RMB -2.6401 million, and an decrease of RMB 4,600 due to selling of subscribed new stocks.

4. During the reporting period, other non-current financial assets increased by RMB 41.5982 million year-on-year, including: an increase of RMB 40 million for Suzhou Xiangzhong Venture Capital Partnership (LLP), an increase of RMB 2.1704 million for investment recovery by Suzhou Yiyun Venture Capital Center (LLP), and increase of RMB 3.7686 million for the gains and losses for changes in fair value.

The main investment is as follows:

Unit: RMB10,000

Target	Main business	Cost of investment	Book value at the end of June 2021	Shareholding ratio (%)
Yiwu Shanglv Investment Development Co., Ltd.	Industry investment, investment management (excluding financial businesses such as securities and futures), property service, design, production and agency of domestic advertising, operation and management of parking garages, marketing planning, operation and management consulting, operation and management of shopping malls and business management consulting	39,200.00	37,861.99	49.00
Yiwu Rongshang Property Co., Ltd.	Real estate development and operation, landscape engineering and decoration engineering	5,000.00	2,091.13	49.00
Yiwu Chuangcheng Property Co., Ltd.	Real estate development and sale; lease of proprietary houses; real estate brokerage service; interior decoration service; and landscaping service	2,000.00	874.51	24.00
Hangzhou Binjiang	Real estate development and operation	2,450.00	7,692.51	49.00

Shangbo Property Development Co., Ltd.				
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	6,961.25	23.00
Zhejiang Chouzhou Financial Lease Co., Ltd.	Financial lease service; transfer of financial lease assets; fixed-income securities investment; acceptance of lessees' lease margin; absorption of time deposit with a term no shorter than three months from non-bank shareholders; inter-financial institutional lending; borrowing from financial institutions; overseas borrowing; sale and disposal of leased items; and economic consulting	26,000.00	40,077.88	26.00
Yiwu China Commodities City Fuxing Investment Center (limited partnership)	Equity investment, investment management and investment consulting	10,291.86	10,291.86	49.90
Yiwu Huishang Redbud Equity Investment Co., Ltd.	Equity investment and related consulting services (without approval of the industry regulatory authorities such as the finance regulatory authority, the Company warrants that it will not be engaged in the absorption of deposits, financial guarantee, agency wealth management, fundraising (financing) from the public and other financial businesses)	5,000.00	8,639.35	10.42
Yiwu Huishang Redbud Phase II Investment Partnership (limited partnership)	Investment management, asset management (excluding the assets subject to special state regulation such as state-owned assets) (the above business scope excludes financial businesses such as securities and futures; and without approval of the industry regulatory authorities such as the finance regulatory authority, the Company shall not be engaged in the absorption of deposits, financial guarantee, agency wealth management, fundraising (financing) from the public and other financial businesses)	8,000.00	7,830.57	9.43
Yiwu Meipinshu Supply Chain Management Co., Ltd.	Supply chain management service, software development, and business management consulting	1,820.14	1,705.24	20.57
Hangzhou MicroAnts Co., Ltd.	Services: technology development, technical consulting, technical services and achievements transfer of computer hardware and software and network information technologies and webpage design; wholesale and retail: computer software	1,275.00	573.95	49.04
Yiwu Hongyi Equity Investment Fund Partnership (limited partnership)	Investment management, equity investment, asset management and investment consulting (without approval of the industry regulatory authorities such as the finance regulatory authority, the Company shall not be engaged in the absorption of deposits, financial guarantee, agency wealth management, fundraising (financing) from the public and other financial businesses)	69,000.00	69,305.39	49.98
Shenwan Hongyuan Group Co., Ltd.	Securities brokerage, securities investment consulting and securities underwriting & sponsorship	55,362.54	58,825.42	0.501
Beijing Yiyun Clean Technology Venture Capital Co., Ltd.	Venture capital, agency of other VC institutions or individuals' VC business	1,891.82	360.00	15.00
Shenzhen Tiantu Investment Management Co., Ltd.	PE investment management in the consumer goods industry	11,438.62	5,284.64	1.536
Beijing Redbud Huarong Equity	Asset management, investment management and investment consulting	10,000.00	17,557.86	12.36

Investment Partnership				
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	5,167.50	0.75
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]	8,873.08	12,016.76	17.51
Nantong Redbud Huatong Equity Investment Partnership (limited partnership)	Equity investment; investment consulting; and investment management	20,000.00	25,484.32	21.05
Yiwu Shangfu Chuangzhi Investment Center (limited partnership)	Asset management, investment management, and investment consulting service	61,751.14	61,751.14	74.99
Yiwu Shanfeng Investment Partnership (limited partnership)	Investment management, asset management and investment consulting	2,600.00	2,600.00	56.40
Fujian Zongteng Network Co., Ltd.	Network information technology service; computer system integration service; development and technical service of computer hardware and software; wholesale, agency purchase and agency sale of maternal and infant products; online operation of electronic products and components and accessories thereof, household supplies and components and accessories thereof, and outdoor goods and components and accessories thereof; market research; business management consulting; enterprise marketing planning; international freight forwarding; and domestic trade agency service; and foreign trade	3,000.00	4,128.54	0.6863
Oriental International Entrepreneurship Co., Ltd.	Food business; self-operated and agent for the import and export of products and technologies other than those that are uniformly organized or approved by the state, "three forms of OEM and compensation trades" and processing of imported materials, development, production, and sales of biological, pharmaceutical and chemical products, international freight forwarding agent, industrial and high-tech industry investment, counter trade, transit trade and service trade, sales: clothing and apparel, shoes and hats, knitwear, leather products, luggage and bags, daily necessities; the second-category medical devices sales.	5,000.00	4,906.60	0.72
Yiwu Guoshen Shangbo Property Co., Ltd.	Real estate development, sale and lease; real estate brokerage service, interior decoration service; and landscaping service	2,000.00	-	49.00



Yiwu Digital Port Technology Co., Ltd.	Communication equipment repair; communication equipment sales; communication equipment manufacturing; computer and communication equipment leasing; information technology equipment sales; computer software and hardware and auxiliary equipment wholesale; computer software and hardware and auxiliary equipment retail; information consulting services (excluding licensing information consulting services); socio-economic consulting services; advertising design, agency; advertising production; advertising publishing (excluding channels such as radio, television, newspaper publishing units); technical services, technology development, technology consulting, technology exchange, technology transfer, technology promotion; software development; sales of chemical product (excluding licensed chemical products); business agent services; general goods warehousing services (excluding hazardous chemicals and other items that require license approval)	2,550.00	2,435.96	51.00
Yiwu China Commodities City Property Development Co., Ltd.	Real estate development, sales, leasing (used together with valid qualification certificates), real estate brokerage services, interior decoration; landscaping	271,854.77	276,508.58	49.00
Pujiang Lvgu Property Co., Ltd.	Real estate development, sales, leasing and property management	37,365.79	49,744.46	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	2,000.00	39.60
Jebel Ali Free Zone Trader Market Development and Operation FZCO	Lease and management of proprietary properties; and lease and management of the properties owned by others	5,144.20	4,615.02	30.00
Suzhou Xiangzhong Venture Capital Partnership (Limited Partnership)	Venture capital (limited to investment in unlisted enterprises); Equity investment	4,000.00	4,000.00	8.00

**(1) Major equity investments**

√Applicable □Not applicable

Target	Main business	Actual investment amount during the reporting period (RMB10,000)	Percentage in total equity in the invested project as of the end of the reporting period (%)	Remarks
Suzhou Xiangzhong Venture Capital Partnership (Limited Partnership)	Venture capital (limited to investment in unlisted enterprises); Equity investment	4,000.00	8.00	The subscribed capital contribution was RMB 200 million, and as of the end of the reporting

				period, RMB 40 million has been paid.
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**(2) Major non-equity investments**

√Applicable □Not applicable

Unit:  
RMB10,000

Project	Project amount	Progress	Investment amount in current period	Accumulative invested amount
West Yiwu International Means of Production Market Auxiliary Project	133,916.00	The office building has been delivered, 95% of the hotel decoration has been completed, and the underground space has been completed	6,889.14	102,997.62
Haicheng Yiwu China Commodities City Commerce Phase I Project—Hotel Project	180,000.00	The main work is under construction	-	3,229.05
Phase I Project of Yiwu Integrated Free Trade Zone	624,250.00	The upper span bridge and the fence have passed the final acceptance; the first bid section has been completed and 95% of the second bid section has been completed for warehousing work.	69,861.91	120,441.14
East Parking Building Project of Zone 2 of Yiwu International Trade City	60,706.00	Completion of civil air defense foundation acceptance, the first floor pouring completed	13,861.58	22,534.87
Yiwu Yindu Hotel renovation project	25,000.00	The renovation of the facade has been completed, and 50% of the interior decoration has been completed	6,922.48	12,477.85
Global Digital Free Trade Center Project	598,124.00	Site leveling completed, project design phase	1,577.29	1,577.29

**(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
Hunan Hualing Cable Co., LTD	0.20	-	0.20	-	Held-for-trading financial assets	Self-owned funds
Wealth management products of Industrial Bank	850.00	-	850.00	-	Held-for-trading financial assets	Self-owned funds

Oriental International Entrepreneurship Co., Ltd.	5,000.00	5,170.61	4,906.60	-264.01	Held-for-trading financial assets	Self-owned funds
Shenyin & Wanguo Securities Co., Ltd.	55,362.54	66,225.63	58,825.42	-	Other equity instruments investment	Self-owned funds
Jiaxing Zhehua Redbud Investment Partnership (limited partnership)	10,000.00	12,016.76	12,016.76	-	Other non-current financial assets	Self-owned funds
Beijing Redbud Huarong Equity Investment Co., Ltd.	10,000.00	17,557.86	17,557.86	-	Other non-current financial assets	Self-owned funds
Nantong Redbud Huatong Equity Investment Partnership (limited partnership)	20,000.00	25,484.32	25,484.32	-	Other non-current financial assets	Self-owned funds
Beijing Wudaokou Education Technology Co., Ltd.	500.00	61.64	61.64	-	Other non-current financial assets	Self-owned funds
Zhejiang Yiwu Tap Water Co., Ltd.	100.00	2,320.60	2,320.60	-	Other non-current financial assets	Self-owned funds
Yiwu Water Resources Development Co., Ltd.	200.00	1,510.00	1,510.00	-	Other non-current financial assets	Self-owned funds
Suzhou Yiyun Venture Capital Center (limited partnership)	4,000.00	12,351.95	12,039.35	-95.54	Other non-current financial assets	Self-owned funds
Beijing Yiyun Clean Technology Venture Capital Co., Ltd.	6,091.82	360.00	360.00	-	Other non-current financial assets	Self-owned funds
Mashang Consumer Finance Co., Ltd.	3,000.00	5,167.50	5,167.50	-	Other non-current financial assets	Self-owned funds
Shenzhen Tiantu Investment Management Co., Ltd.	11,802.00	4,812.23	5,284.64	472.41	Other non-current financial assets	Self-owned funds
Yiwu Shanfeng Investment Partnership (limited partnership)	2,600.00	2,600.00	2,600.00	-	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 Shanyue Equity Investment Partnership (limited partnership)	2,000.00	2,000.00	2,000.00	-	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
Fujian Zongteng Network Co., Ltd.	3,000.00	4,128.54	4,128.54	-	Other non-current financial	Self-owned funds

					assets	
Yiwu Shangfu Chuangzhi Investment Center (limited partnership)	61,751.14	61,751.14	61,751.14	-	Other non-current financial assets	Self-owned funds
Suzhou Xiangzhong Venture Capital Partnership (Limited Partnership)	4,000.00	0.00	4,000.00	-	Other non-current financial assets	Self-owned funds

**(v) Sale of major 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 profit
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	229,923.99	-78,496.50	-7,128.38
Yiwu Shangbo Property Co., Ltd.	Real estate development and sale	30,000.00	37,835.38	33,897.66	-965.24
Yiwu Commodities City Gonglian Property Co., Ltd.	Real estate development and sale	20,000.00	15,919.94	15,784.42	-53.43
Yiwu China Commodities City Information Technology Co., Ltd.	R&D of computer and multimedia software	20,000.00	23,149.24	19,897.46	-67.25
Zhejiang Yiwugou E-commerce Co., Ltd.	Computer software, multimedia technologies, computer network and application, and wholesale & retail	10,000.00	12,003.04	9,350.33	553.52
Yiwu China Commodities City Payment Network Technology Co., Ltd.	R&D of computer and multimedia software	15,000.00	12,112.51	12,106.53	-174.08
Yiwu China Commodities City Logistics and Warehousing Co., Ltd.	Ordinary cargo transport and goods warehousing	10,000.00	2,646.68	2,268.63	-203.35
Yiwu China Commodities City Supply Chain Management Co., Ltd.	Supply chain management service	10,000.00	26,475.80	-3,491.41	-1,005.11
Yiwu China Commodities City Import and Export Co., Ltd.	Domestic trade and international trade	10,000.00	60,105.36	3,632.38	-1,334.62

Yiwu China Commodities City Financial Holdings Co., Ltd.	Enterprise free capital investment, asset management, investment consulting services, investment management services	400,000.00	227,736.24	214,087.52	451.66
Yiwu China Commodities City Tourism Development Co., Ltd.	Development of tourism resources and tourism projects; domestic tourism business, inbound tourism business; tourism information consulting; and wholesale of fruits, vegetables, aquatic products and primary edible agricultural products	10,000.00	13,431.97	8,830.21	-136.48
Yiwu China Commodities City Overseas Investment and Development Co., Ltd.	Overseas industry investment, and construction and operation of overseas shopping malls	10,000.00	18,303.76	8,827.48	-218.66
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	151,151.73	80,556.75	2,561.80
Yiwu China Commodities City Property Development Co., Ltd.	Real estate development and sale	500,000.00	1,233,151.57	573,911.24	15,476.32
Pujiang Lvgu Property Co., Ltd.	Real estate development and sale	70,000.00	111,538.42	99,501.23	23,941.44
Zhejiang Huajie Investment and Development Co., Ltd.	Industry investment, investment management, investment consulting, business information consulting, and asset management services	50,000.00	8,255.84	8,232.32	-116.22
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	26,700.63	9,964.73	773.91
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	800.24	719.90	-234.65
BETTER SILK ROAD RWANDA Ltd	Container handling; land transport-related services; and land transport supporting activities-related business	RF27,000	105.16	-90.05	-57.61
Hangzhou Binjiang Shangbo Property Development Co., Ltd.	Real estate development and sale	5,000.00	20,006.38	17,355.53	4,234.21

Yiwu Rongshang Property Co., Ltd.	Real estate development and sale	10,204.08	704,240.31	4,267.62	-287.30
Yiwu Huishang Micro-finance Co., Ltd.	Micro loans	54,000.00	30,852.35	30,406.45	-775.69
Zhejiang Chouzhou Financial Lease Co., Ltd.	Financial lease service, and transfer of financial lease assets	100,000.00	1,273,630.22	154,096.56	11,330.05
Yiwu Huishang Redbud Equity Investment Co., Ltd.	Equity investment and related consulting services	49,000.00	92,492.18	82,937.72	2,708.56
Yiwu Huishang Redbud Phase II Investment Partnership (limited partnership)	Investment management and asset management	106,100.00	84,834.24	82,832.39	25.91
Yiwu Hongyi Equity Investment Fund Partnership (limited partnership)	Investment management, equity investment, asset management and investment consulting	200,100.00	138,714.32	138,680.08	682.67
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	47,881.05	8,747.04	-53.00
Yiwu Guoshen Shangbo Property Co., Ltd.	Real estate development, sale and lease; real estate brokerage service, interior decoration service; and landscaping service	408,163.00	1,411,326.20	-5,598.92	-3,099.62

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

**(ii) Other disclosure matters**

Applicable Not applicable

## Section IV. Corporate Governance

### I. Shareholders' meetings

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

The preferred shareholders whose voting rights had been restituted requested to an extraordinary general meeting of shareholders  
Applicable Not applicable

Statement on shareholders' meetings

Applicable Not applicable

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

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

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

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

Applicable Not applicable

Name	Title	Change
LUO Jinming	Independent director	Election

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	NO
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capital reserve	
Number of bonus shares for every 10 shares	0
Dividend payout for every 10 shares (tax inclusive)	0
Number of shares converted from the capitalization of capital reserve for every 10 shares	0
Statement on the proposal on profits distribution or capitalization of capital reserve	
None	

#### 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 Stock Incentive Plan (Draft) and Its Summary, Proposal on the Measures for the Evaluation and Management of the Implementation of the Company's 2020 Restricted Stock Incentive Plan, Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Handle Issues Related to Equity Incentives</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 <i>the Proposal on the Company's 2020 Restricted Stock Incentive Plan (Draft) and its Summary, The Proposal on the Implementation Evaluation and Management Measures for the Company's 2020 Restricted Stock Incentive Plan, Proposal on Verification of the List of Incentive Objects of the Company's 2020 Restricted Stock Incentive Plan</i>. The board of supervisors issued relevant verification opinions.</p> <p>Independent financial consultants, lawyers and other intermediary agencies issued corresponding opinions.</p>	<p>For details, please refer to the Company's announcement on the website of the Shanghai Stock Exchange (www.sse.com.cn) on October 24, 2020.</p>
<p>On November 18, 2020, it received <i>the Approval for Approving Zhejiang China Commodity City Group Co., Ltd. to implement the 2020 restricted stock 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 Commodity City Holdings Ltd. (Yiwu SASAOF (2020) 51).</p>	<p>For details, see the Company's announcement on the website of the Shanghai Stock Exchange (www.sse.com.cn) on November 20, 2020.</p>
<p>From November 20, 2020 to November 29, 2020, the list of incentive objects and positions of the 2020 restricted stock incentive plan were internally publicized. Within the time limit of the publicity, the board of supervisors of the Company did not receive any</p>	<p>For details, please refer to the Company's announcement on the website of the Shanghai</p>

<p>objection from any organization or individual or bad feedback, without feedback record. On November 30, 2020, the Board of Supervisors of the Company issued <i>the Examination Opinions and Public Statement of the Board of Supervisors on the List of Incentive Objects of the Company's 2020 Restricted Stock Incentive Plan</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 Stock Incentive Plan (Draft)' and Summary", the "Proposal on the "Measures of Assessment and Management of Implementation of 'Company's 2020 Restricted Stock Incentive Plan'", and the "Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors to Deal with Equity Incentive Related Matters", and disclosed the "Self-examination Report on the Trades of Company's Stocks by Insiders of Company's 2020 Restricted Stock Incentive Plan".</p>	<p>For details, please refer to the Company's announcement on the website of the Shanghai Stock Exchange (www.sse.com.cn) on December 11, 2020.</p>
<p>On December 11, 2020, the twenty-sixth meeting of the eighth session of the Company's board of directors passed <i>the 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 <i>the Proposal on Granting Restricted Stocks to Incentive Objects for the First Time</i>. The Board of Supervisors issued <i>the Verification Opinions of the Board of Supervisors on Matters Related to the First Grant of the Company's 2020 Restricted Stock Incentive Plan</i>.</p> <p>Independent financial consultants, lawyers and other intermediary agencies issued corresponding opinions.</p>	<p>For details, please refer to the Company's announcement on the website of the Shanghai Stock Exchange (www.sse.com.cn) on December 12, 2020.</p>
<p>On January 15, 2021, the Company received <i>the 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>

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

Incentive stock option

Applicable Not applicable

Other descriptions

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. Fulfillment of commitments

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

Applicable Not applicable

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

Applicable Not applicable

III. Illegal guarantees

Applicable Not applicable

IV. Information about audit on the semi-annual 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

The Company had no material litigations and arbitrations The Company had material litigations and arbitrations

(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)
Hongsheng	Yiwu Shangb	None	Litigation	Dispute over a	1,146.39	NO	Mediation	The defendant	The sentence

Construction Group Co., Ltd.	Property Co., Ltd.			construction contract [(2021) Z 0782 M C No. 7272]			completed	not paid the plaintiff's construction fund for RMB 5.0206 million	has been carried out
Zhejiang Yiwugou E-commerce Co., Ltd.	The Company, Big Data Company	None	Litigation	Dispute over unfair competitions [(2020) Z 01 M C No. 2202]	1,000	NO	Trial has started, but no judgment has been made	/	/

**(iii) Other descriptions**

Applicable Not applicable

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

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

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

No hearings has been held 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: RMB10,000

Related counterparty	Relationship	Type of related-party transaction	Contents of related-party transaction	Pricing principle	Price of related-party transaction	Amount of related-party transaction	Percentage in the amount of similar transactions (%)	Settlement method	Market M/Price	Reasons for the large difference between the price of the transaction and reference market price
Yourworld International Conference Center, subordinated to Yiwu Market Development Group	Others	Other inflow	Commissioning management fee, license fee, etc.	Negotiated price		89.58	95.98	Account transfer		
Yiwu Security Service Co., Ltd.	Others	Acceptance of labor service	Escort service for RMB and foreign currency cash withdrawal at the Company's business outlets	Market price		3.75	4.02	Account transfer		

Total				/	/	93.33	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

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

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

**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).

By the end of the reporting period, the Company has provided financial aid of RMB 490 million, and CCCH has provided financial aid of RMB 510 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

**1. Deposit business**

Applicable Not applicable

**2. Loan business**

Applicable Not applicable

**3. Credit granting and other financial businesses**

Applicable Not applicable

**4. Other descriptions**

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

**(1) Hosting**

Applicable Not applicable

**(2) Contracting**

Applicable Not applicable

**(3) Renting**

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)															
Guaranteeing party	Relationship between the guarantor and the Listed Company	Guaranteed party	Guaranteed amount	Date of guarantee (signing date of the agreement)	Guarantee Starting date	Guarantee Maturity date	Type of guarantee	Principal debts	Collateral (if any)	Whether the guarantee has been fulfilled	Is the guarantee overdue	Overdue amount of the guarantee	Counter guarantees	Is it a related-party guarantee	Related Relationship
Corporate	The Company itself	Huangyuan Shangbo	28,424.47	Aug 13, 2019	Aug 23, 2022	Aug 22, 2024	Joint and several liability guarantee			NO	NO			Yes	Joint venture
Corporate	The Company itself	Yiwu Shanglv	18,483.73	December 16, 2015	Jul 1, 2015	December 15, 2026	Joint and several liability guarantee			NO	NO		State-owned operating company provided a counter-guarantee	Yes	Joint venture
Corporate	The Company itself	Yiwu Shanglv	1,391.81	Aug 13, 2020	December 25, 2020	December 24, 2023	Joint and several liability guarantee			NO	NO		CCCH provided a counter-guarantee	Yes	Joint venture
Hangzhou Shangbo Nanxing	Wholly-owned subsidiary	House purchaser	992.89				Joint and several			NO	NO			NO	

	liability guarantee
Amount of guarantees made during the reporting period (excluding the guarantees provided for subsidiaries)	-48,106.35
Balance of guarantees at the end of the reporting period (A) (excluding the guarantees provided for subsidiaries)	49,292.90
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)	49,292.90
Ratio of the total amount of guarantees to the Company's net assets (%)	3.50
Among them,	
Amount of guarantees provided for shareholders, actual controller and their related parties (C)	
Amount of guarantees provided directly or indirectly for the debtors whose debt-to-asset ratio exceed 70% (D)	28,424.47
Portion of total amount of guarantees in excess of 50% of net assets (E)	
Total (C+D+E)	28,424.47
Statement on the joint and several liability that may be assumed due to outstanding guarantees	
Statement on guarantees	1. According to the resolution of the 65th meeting of the 7th Board of Directors on Jul 23, 2019, the Group applied to the Yiwu Branch of ICBC and Yiwu Branch of SPDB for RMB1bn loans respectively for Huangyuan Shangbo and provided guarantees for the loans based on its shareholding ratio. As of June 30, 2021, Huangyuan Shangbo actually borrowed RMB 266,421,958.33 from Industrial and Commercial Bank of China Yiwu Branch and RMB 313,669,198.33 from Shanghai Pudong Development Yiwu Branch (December 31, 2020: RMB 674,889,305.56, RMB 614,209,347.22). According to the agreement in the guarantee contract, it assumed the guarantee liability of RMB 130,546,759.58 for the Yiwu Branch of Industrial and Commercial Bank of China, and RMB 153,697,907.18 for the Yiwu Branch of

Shanghai Pudong Development Bank (December 31, 2020: RMB 330,695,759.72, RMB 300,962,580.14).

2. According to the resolution of the 15<sup>th</sup> Meeting of the 7<sup>th</sup> 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, 2021, Yiwu Shanglv actually borrowed RMB 377,219,002.51 from the banks in total (December 31, 2020: RMB 477,659,739.88). According to the agreement of the guarantee contract, it assumed the guarantee liability of RMB 184,837,311.23 for the Agricultural Bank of China Yiwu Branch (December 31, 2020: RMB 234,053,272.54). Yiwu State-owned Capital Operation Co., Ltd. provided a counter guarantee for this guarantee.

3. According to the resolution of the 19<sup>th</sup> Meeting of the 8<sup>th</sup> Board of Directors on August 13, 2020, the Group applied for a loan with a total amount of not more than RMB 100 million for Yiwu Shanglv with Bank of Communications Co., Ltd. Yiwu Branch and provided a guarantee in proportion to the shareholding ratio. The guarantee method was joint liability guarantee, the maximum amount of the guarantee was RMB 49 million, and the guarantee period is two years, from the date of the expiry of the debt performance period agreed in the independent contract until the date of the expiration of the debt performance period of all last due main debt under the master contract. As of June 30, 2021, Yiwu Shanglv actually borrowed RMB 28,404,291.89 from the banks in total (December 31, 2020: RMB 11,500,000.00). According to the agreement of the guarantee contract, it assumed the guarantee liability of RMB 13,918,103.03 for the Agricultural Bank of China Yiwu Branch (December 31, 2020: RMB 5,635,000.00). Yiwu China Commodity City Holdings Limited provided counter-guarantee for this guarantee.

4. According to relevant regulations, before the purchaser of the commercial housing sold by the Group has obtained the property certificate, the Group shall provide the purchaser with a bank mortgage guarantee. As of June 30, 2021, the unsettled guarantee amount was RMB 9,928,856.22 (December 31, 2020: RMB 16,170,141.08). Those guarantees would be released after the issuance of the property ownership certificates and are thus little likely to incur losses. Therefore, the management believed that it was not necessary to make provision for the guarantees.

**3 Other material contracts**Applicable Not applicable

On June 16, 2021, the Company and Haier Group (Qingdao) Financial Holdings Co., Ltd. signed the "Agreement on Transfer of Equity of QuickPass Payment Service Co., Ltd. of Zhejiang Haier Network Technology Co., Ltd. Between Haier Group (Qingdao) Financial Holdings Co., Ltd. and Zhejiang China Commodities City Group Co., Ltd, providing for that the Company will acquire 100% equity of Zhejiang Haier Network Technology Co., Ltd. (hereinafter referred to as "Haier Network") held by it at the consideration of RMB 449.3 million.

Through audit by Zhongshen Asia Pacific Certified Public Accountants (Special General Partnership), the book value of the net assets of Haier Network's statements on the base date December 31, 2020 was RMB 189,894,500 (the book value of net assets of the consolidated statements was RMB 156,361,800). Through evaluation of Jiangsu China Enterprise Huazhongtian Assets Appraisal Co., Ltd., the value of all shareholders' equity of Haier Networks was RMB 454 million on the base date December 31, 2020. Based on the assessed value, and the total transaction amount of this transaction was confirmed to be RMB 449.3 million. For details of this transaction, see the "Announcement on the Proposed Acquisition of 100% of Equity of Zhejiang Haier Network Technology Co., Ltd." (Lin 2021-033).

By the end of the reporting period, the Company had paid Haier Financial Holdings the equity transfer price (Issue 1) of RMB 67.395 million, and both parties had completed the first phase of delivery in accordance with the agreement.

**XII. Other significant matters**Applicable Not applicable

## Section VII. Changes in Shares and Shareholders

### I. Changes in equity

#### (i) Exhibition of changes in shares

##### 1、Exhibition of changes in shares

Unit: share

	Before this change		Increase or decrease in the current period (+, -)					After this change	
	Number	(%)	New shares issued	Bonus shares	Shares converted from capital reserve	Others	Subtotal	Number	(%)
I. Restricted shares	0	0	46,700,000	0	0	0	46,700,000	46,700,000	0.85
1. Shares held by the state									
2. Shares held by state-owned legal persons									
3. Shares held by other domestic capitals	0	0	46,700,000	0	0	0	46,700,000	46,700,000	0.85
In which: shares held by domestic non-state-owned legal persons									
shares held by domestic natural persons	0	0	46,700,000	0	0	0	46,700,000	46,700,000	0.85
4. Shares held by foreign capitals									
In which: shares held by foreign non-state-owned legal persons									
shares held by foreign natural persons									
II. Unrestricted shares	5,443,214,176	100.00						5,443,214,176	99.15
1. RMB-denominated common shares	5,443,214,176	100.00	0	0	0	0	0	5,443,214,176	99.15
2. Foreign shares listed in China									
3. Foreign shares listed abroad									
4. Others									

III. Total number of shares	5,443,214,176	100.00	46,700,000	0	0	0	46,700,000	5,489,914,176	100.00
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**2、 Description of changes in shares**√Applicable Not applicable

During the reporting period, according to the 2020 restricted stock incentive plan, the Company granted 46,700,000 restricted stocks to 395 incentive objects for the first time, and completed the registration of stocks. The Company increased its share capital by 46,700,000 shares, and the total share capital increased to 5,489,914,176 shares.

**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

Unit: share

Shareholder	Number of restricted shares at the beginning of the period	Number of restricted shares released during the reporting period	Number of increased restricted shares during the reporting period	Number of restricted shares at the end of the period	Reasons for restriction on trade	Release date
395 incentive objects granted by the restricted stock incentive plan for the first time in 2020	0	0	46,700,000	46,700,000	Restricted stock incentives	/
Total	0	0	46,700,000	46,700,000	/	/

**II. Information of restricted shareholders****(i) Information of shareholders:**

Number of common shareholders as of the end of the reporting period	191,448
Total number of preferred shareholders whose voting rights had been restituted as of the end of the reporting period	0

**(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 (fullname)	Change during the reporting period	Number of shares held at the end of the reporting period	(% )	Number of non-tradable shares held	Pledge, mark or freezing		Ownership of shareholder
					Status of shares	Number	
Yiwu China Commodities City Holdings Limited	0	3,038,179,392	55.34	0	None	0	State-owned legal person
Zhejiang Financial Development Co., Ltd.	0	147,466,528	2.69	0	None	0	State-owned legal person
Central Huijin Investment Ltd.	-15,857,796	50,513,204	0.92	0	None	0	State-owned legal person
LI Guoping	41,472,900	41,472,900	0.76	0	None	0	Domestic natural person
Hong Kong Central Clearing Company Limited	24,270,207	37,742,829	0.69	0	None	0	Unknown
Bosera Funds – Agricultural Bank of China – Bosera China Securities Financial Assets Management Scheme	0	27,672,800	0.50	0	None	0	Unknown
E Fund – Agricultural Bank of China – E Fund China Securities Financial Assets Management Scheme	0	27,672,800	0.50	0	None	0	Unknown
Dacheng Fund – Agricultural Bank of China – Dacheng China Securities Financial Assets Management Scheme	0	27,672,800	0.50	0	None	0	Unknown
Harvest Fund – Agricultural Bank of China – Harvest China Securities Financial Assets Management Scheme	0	27,672,800	0.50	0	None	0	Unknown

GF Fund – Agricultural Bank of China – GF China Securities Financial Assets Management Scheme	0	27,672,800	0.50	0	None	0	Unknown
Zhong Ou AMC – Agricultural Bank of China – Zhong Ou China Securities Financial Assets Management Scheme	0	27,672,800	0.50	0	None	0	Unknown
Southern Asset Management – Agricultural Bank of China – Southern China Securities Financial Assets Management Scheme	0	27,672,800	0.50	0	None	0	Unknown
ICBC Credit Suisse Asset Management – Agricultural Bank of China – ICBC Credit Suisse China Securities Financial Assets Management Scheme	0	27,672,800	0.50	0	None	0	Unknown
Shares held by top 10 holders of tradable shares							
Shareholder	Number of tradable shares held	Type and quantity of shares					
		Category	Number				
Yiwu China Commodities City Holdings Limited	3,038,179,392	RMB-denominated common share	3,038,179,392				
Zhejiang Financial Development Co., Ltd.	147,466,528	RMB-denominated common share	147,466,528				
Central Huijin Investment Ltd.	50,513,204	RMB-denominated common share	50,513,204				
LI Guoping	41,472,900	RMB-denominated common share	41,472,900				
Hong Kong Central Clearing Company Limited	37,742,829	RMB-denominated common share	37,742,829				
Bosera Funds – Agricultural Bank of China – Bosera China Securities Financial Assets Management Scheme	27,672,800	RMB-denominated common share	27,672,800				

E Fund – Agricultural Bank of China – E Fund China Securities Financial Assets Management Scheme	27,672,800	RMB-denominated common share	27,672,800
Dacheng Fund – Agricultural Bank of China – Dacheng China Securities Financial Assets Management Scheme	27,672,800	RMB-denominated common share	27,672,800
Harvest Fund – Agricultural Bank of China – Harvest China Securities Financial Assets Management Scheme	27,672,800	RMB-denominated common share	27,672,800
GF Fund – Agricultural Bank of China – GF China Securities Financial Assets Management Scheme	27,672,800	RMB-denominated common share	27,672,800
Zhong Ou AMC – Agricultural Bank of China – Zhong Ou China Securities Financial Assets Management Scheme	27,672,800	RMB-denominated common share	27,672,800
Southern Asset Management – Agricultural Bank of China – Southern China Securities Financial Assets Management Scheme	27,672,800	RMB-denominated common share	27,672,800
ICBC Credit Suisse Asset Management – Agricultural Bank of China – ICBC Credit Suisse China Securities Financial Assets Management Scheme	27,672,800	RMB-denominated common share	27,672,800
The special accounts for repo for top 10 shareholders	/		
Description of the entrusted voting rights, entrusted voting rights, and waiver of voting rights for above-mentioned shareholders	/		
Explanation on the relationship or concerted action between the above shareholders	Zhejiang Finance Development Co., Ltd. holds 9.44% of the shares of Yiwu State-owned Capital Operation Co., Ltd., the controlling shareholder of Yiwu China Commodity City Holding Limited, the controlling shareholder of Yiwu Market Development Group Co., Ltd.		
Explanation on the preferred shareholders whose voting rights had been restituted and the quantity of shares held thereby	/		

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

Statement on other matters

Applicable Not applicable

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

Applicable Not applicable

Applicable Not applicable

Unit: share

Name	Title	Number of restricted stocks held at the beginning of the period	Number of restricted stocks granted during the reporting period	Released shares	Unreleased share	Number of restricted stocks held at the end of the period
ZHAO Wenge	Director	0	300,000	0	300,000	300,000
WANG Dong	Director	0	300,000	0	300,000	300,000
JIN Gengzhong	Senior officer	0	300,000	0	300,000	300,000
WU Xiubin	Senior officer	0	300,000	0	300,000	300,000
ZHANG Qizhen	Senior officer	0	300,000	0	300,000	300,000
WEI Gang	Senior officer	0	300,000	0	300,000	300,000
XU Hang	Director	0	300,000	0	300,000	300,000
ZHAO Difang	Senior officer	0	300,000	0	300,000	300,000
Total	/	0	2,400,000	0	2,400,000	2,400,000

**(iii) Other descriptions**

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 Currency: RMB

Bond name	Abbreviation	Code	Issue date	Value date	Maturity date	Outstanding amount	Interest rate (%)	Method of principal repayment and interest payment	Marketplace	Trade mechanism	Whether there is a risk of terminating the transaction in the stock market
Publicly offered corporate bond 2019 of Zhejiang China Commodities City Group Co., Ltd (Phase I)	19 Yiwu CCC 01	155450	Jun 3, 2019	June 5, 2019	Jun 5, 2022	8	4.3	For the principal repayment and interest payment of the bond, the list of bondholders would be made according to the relevant provisions of the bond registration authority. The specific matters shall be handled according to the relevant provisions of the bond registration authority.	Shanghai Stock Exchange		NO
Zhejiang China Commodities City Group Co., Ltd.'s 2019 Public Corporate Bonds (Issue 2)	19 SYiwu CCC 02	155750	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

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

Applicable Not applicable

5. Other statement on corporate bonds

Applicable Not applicable

2019 Corporate Bonds (Issue 1), with a total amount of raised funds of RMB 800 million. The Company has used the funds after deduction of issuance fees to repay its interest-bearing liabilities in accordance with the plan for the use of raised funds as agreed in the prospectus.

2019 Corporate Bonds (Issue 2), with a total raised capital of RMB 700 million. The Company has used the funds after deduction of issuance fees to repay its interest-bearing liabilities in accordance with the plan for the use of raised funds as agreed in the prospectus.

(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

Bond name	Abbreviation	Code	Issue date	Value date	Maturity date	Outstanding amount	Interest rate (%)	Method of principal repayment and interest payment	Marketplace	Trade mechanism	Whether there is a risk of terminating the transaction in the stock market
Zhejiang China Commodities City Group Co., Ltd.'s 2018 MTN (Issue 1)	18 Zhejiang Yiwu CCC MTN001	101801043	September 4, 2018-September 5, 2018	September 6, 2018	September 6, 2021	10	4.75	The interest of the current MTN is paid once a year, and the principal is redeemed in one lump sum on the redemption date. The interest payment and redemption of the current MTN will be handled by the custodian	Shanghai Clearing House		NO



								(if the maturity date falls on a statutory holiday, the redemption will be postponed to the next working day, and no interest will be accrued during the postponement period).			
Zhejiang China Commodities City Group Co., Ltd.'s 2019 MTN (Issue 1)	19 Zhejiang Yiwu CCC MTN001	101900921	July 11, 2019- July 12, 2019	July 15, 2019	Jul 15, 2022	10	3.99	The interest of the current MTN is paid once a year, and the principal is redeemed in one lump sum on the redemption date. The interest payment and redemption of the current MTN will be handled by the custodian (if the maturity date falls on a statutory holiday, the redemption will be postponed to the next working day, and no interest will be accrued during the postponement period).	Shanghai Clearing House		NO
Zhejiang China Commodities City Group Co., Ltd.'s 2019 MTN (Issue 2)	19 Zhejiang Yiwu CCC MTN002	101901396	October 17, 2019-October 18, 2019	October 21, 2019	Oct 21, 2022	10	3.97	The interest of the current MTN is paid once a year, and the principal is redeemed in one lump sum on the redemption date. The interest payment and redemption of the current	Shanghai Clearing House		NO

								MTN will be handled by the custodian (if the maturity date falls on a statutory holiday, the redemption will be postponed to the next working day, and no interest will be accrued during the postponement period).			
Zhejiang China Commodities City Group Co., Ltd.'s 2021 Super Short-term Financing Bonds (Issue 2)	21 Zhejiang Yiwu CCC SCP002	012100639	February 20, 2021-February 22, 2021	Feb 23, 2021	Aug 24, 2021	10	3.40	Payment of principal and interest in one lump sum at maturity. The issuer shall publish the "Redemption Announcement" in the information media recognized by the competent authority in accordance with relevant regulations five working days before the redemption date of the current ultra-short-term financing bonds; for the redemption of the current ultra-short-term financing bonds, according to the Company's regulations, the Interbank Market Clearing House Co., Ltd. will complete the interest payment	Shanghai Clearing House		NO

									and redemption work as an agent; related matters will be disclosed in the "Redemption Announcement" in details.			
Zhejiang China Commodities City Group Co., Ltd.'s 2021 Super Short-term Financing Bonds (Issue 4)	21 Zhejiang Yiwu CCC SCP004	012101427	April 12, 2021-April 13, 2021	Apr 14, 2021	Jul 13, 2021	10	2.93	The issuer shall publish the "Redemption Announcement" in the information media recognized by the competent authority in accordance with relevant regulations five working days before the redemption date of the current ultra-short-term financing bonds; for the redemption of the current ultra-short-term financing bonds, according to the Company's regulations, the Interbank Market Clearing House Co., Ltd. will complete the interest payment and redemption work as an agent; related matters will be disclosed in the "Redemption Announcement"	Shanghai Clearing House			NO

								ent" in details.			
Zhejiang China Commodities City Group Co., Ltd.'s 2021 Super Short-term Financing Bonds (Issue 5)	21 Zhejiang Yiwu CCC SCP005	012102030	May 31, 2021-June 2, 2021	Jun 2, 2021	Oct 29, 2021	10	2.84	The issuer shall publish the "Redemption Announcement" in the information media recognized by the competent authority in accordance with relevant regulations five working days before the redemption date of the current ultra-short-term financing bonds; for the redemption of the current ultra-short-term financing bonds, according to the Company's regulations, the Interbank Market Clearing House Co., Ltd. will complete the interest payment and redemption work as an agent; related matters will be disclosed in the "Redemption Announcement" in details.	Shanghai Clearing House		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

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

Applicable Not applicable

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

Applicable Not applicable

1. The Company issued 90-day ultra-short-term financing bonds of RMB 1 billion on November 25, 2020, at an annual interest rate of 2.5%. The lead underwriter was Agricultural Bank of China. The bonds have become mature on February 25, 2021 with principal and interest cashed.

2. The Company issued 90-day ultra-short-term financing bonds of RMB 1 billion on December 8, 2020, at an annual interest rate of 2.45%. The lead underwriter was Shanghai Pudong Development Bank Co., Ltd. The bonds have become mature on March 9, 2021 with principal and interest cashed.

3. The Company issued 28-day ultra-short-term financing bonds of RMB 1 billion on December 24, 2020, at an annual interest rate of 2.70%. The lead underwriter is Industrial and Commercial Bank of China. The bonds have become mature on January 22, 2021 with principal and interest cashed.

4. The Company issued 88-day ultra-short-term financing bonds of RMB 1 billion on January 14, 2021, at an annual interest rate of 3.20%. The lead underwriter was Agricultural Bank of China Co., Ltd. The bonds have become mature on April 16, 2021 with principal and interest cashed.

5. The Company issued 88-day ultra-short-term financing bonds of RMB 1 billion on March 4, 2021, at an annual interest rate of 3.09%. The lead underwriter was Industrial and Commercial Bank of China. The bonds have become mature on June 4, 2021 with principal and interest cashed.

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

Applicable Not applicable

**(v) Main accounting data and financial indicators**

Applicable Not applicable

Unit: RMB10,000

Major indicator	As of the end of the current reporting period	As of the end of 2020	Increase/decrease at the end of the reporting period over the end of the previous year (%)	Reasons for change
Current ratio	72.02%	91.44%	Down 19.42 %	
Quick ratio	70.02%	79.45%	Down 9.43 %	
Debt-to-asset ratio (%)	52.59	52.78	Down 0.19 %	
	Jan-Jun 2021	Jan-Jun 2020	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	80,498.09	60,219.38	33.67	The net profit attributable to the parent company's owner increased by RMB 131 million year-on-year, and non-recurring gains and losses decreased by RMB 72 million year-on-year
EBITDA to total debt ratio	0.23	0.27	-14.81	
Interest coverage ratio	7.09	5.23	35.56	The interest expenses decreased by RMB 61 million year-on-year
Cash interest protection multiple	5.32	0.72	637.55	The net cash flow from operating activities during the current period increased by RMB 870 million year-on-year, and interest payments decreased by RMB 61 million year-on-year.
EBITDA-to-interest coverage ratio	9.04	5.99	50.92	The interest expenses decreased by RMB 61 million year-on-year
Loan repayment rate (%)	100	100		
Interest payment rate (%)	100	100		

## II. Convertible corporate bonds

Applicable Not applicable

## **Section X. Financial Report**

### **I. Auditor's report**

Applicable Not applicable

## II. Financial statements

## Consolidated Balance Sheet

June 30, 2021

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

Unit: RMB

Item	Notes	June 30, 2021	December 31, 2020
<b>Current assets:</b>			
Monetary capital		3,019,635,447.13	5,612,642,932.21
Held-for-trading financial assets		57,568,002.17	51,712,734.31
Accounts Receivable		139,603,567.84	153,573,476.86
Prepayments		596,382,710.86	105,187,528.26
Other receivables		3,072,486,757.71	2,708,478,136.25
In which: interest receivable		184,625,160.72	121,401,210.48
Inventories		1,397,192,587.83	1,329,467,728.17
Other current assets		237,091,677.93	179,724,694.17
Total current assets		8,519,960,751.47	10,140,787,230.23
<b>Non-current assets:</b>			
Long-term receivables		186,094,734.90	126,756,573.81
Long-term equity investment		5,284,519,935.53	3,832,897,502.71
Other equity instruments investment		588,254,213.58	662,256,342.79
Other non-current financial assets		1,565,523,492.51	1,523,925,249.81
Investment real estate		1,914,125,314.85	1,960,426,291.73
Property, plant and equipment		5,043,245,326.60	5,234,293,786.87
Construction in progress		2,011,597,180.39	982,891,877.14
Right-of-use assets		179,804,271.63	-
Intangible assets		3,989,317,996.79	3,900,780,981.92
Development expenditures		36,456,278.42	22,223,061.09
Long-term deferred expenses		88,479,735.68	110,728,723.36
Deferred tax assets		85,913,021.35	99,664,328.84
Other non-current assets		220,615,444.63	152,495,196.56
Total non-current assets		21,193,946,946.86	18,609,339,916.63
Total assets		29,713,907,698.33	28,750,127,146.86
<b>Current liabilities:</b>			
Short-term loans		1,234,890,481.77	1,257,179,389.40
Accounts payable		807,401,123.93	636,463,802.23
Advances from customers		108,185,394.49	112,752,897.25
Contract liabilities		2,525,598,728.31	2,442,211,788.88
Employee compensations payable		52,119,743.98	161,498,997.53
Taxes payable		232,061,631.42	495,400,499.73
Other payables		1,775,772,737.40	1,646,345,561.62
Non-current liabilities due within one year		2,031,849,229.82	1,315,026,574.43
Other current liabilities		3,061,785,512.50	3,023,608,041.68
Total current liabilities		11,829,664,583.62	11,090,487,552.75
<b>Non-current liabilities:</b>			
Long-term loans		604,000,000.00	282,000,000.00
Bonds payable		2,786,076,439.37	3,552,161,709.68
Lease liabilities		175,878,039.33	-
Estimated liabilities		110,620,306.10	110,620,306.10
Deferred incomes		25,834,540.46	26,545,277.30
Deferred income tax liabilities		95,833,279.47	113,602,923.79
Total non-current liabilities		3,798,242,604.73	4,084,930,216.87
Total Liabilities		15,627,907,188.35	15,175,417,769.62
<b>Owners' equity (or shareholders' equity):</b>			
Paid-in capital (or equity)		5,489,914,176.00	5,489,914,176.00
Capital reserves		1,611,917,337.79	1,594,906,524.67
Less: treasury stocks		137,298,000.00	137,298,000.00
Other comprehensive income		20,996,326.05	78,149,661.33
Surplus reserve		1,364,257,808.58	1,364,257,808.58
Retained earnings		5,716,867,387.75	5,168,298,206.50
Total owner's equity (or shareholders' equity) attributable to the parent company		14,066,655,036.17	13,558,228,377.08
Minority shareholders' equity		19,345,473.81	16,481,000.16
Total owner's equity (or shareholders' equity)		14,086,000,509.98	13,574,709,377.24
Total liabilities and owners' equity (or shareholders' equity)		29,713,907,698.33	28,750,127,146.86



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

### Balance Sheet of Parent Company

June 30, 2021

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

Unit: RMB

Item	Notes	June 30, 2021	December 31, 2020
<b>Current assets:</b>			
Monetary capital		2,818,878,844.46	5,435,867,497.50
Held-for-trading financial assets		2,000.15	6,632.72
Accounts Receivable		6,894,652.11	14,671,577.47
Prepayments		35,388,066.41	29,452,445.04
Other receivables		2,996,245,219.88	2,651,640,610.06
In which: interest receivable		184,625,160.72	121,401,210.48
Inventories		9,416,625.96	10,144,965.06
Other current assets		3,347,123,936.64	3,082,340,716.76
Total current assets		9,213,949,345.61	11,224,124,444.61
<b>Non-current assets:</b>			
Long-term receivables		61,250,000.00	61,250,000.00
Long-term equity investment		7,645,123,240.17	6,083,135,428.02
Other equity instruments investment		588,254,213.58	662,256,342.79
Other non-current financial assets		268,321,054.11	266,722,811.41
Investment real estate		1,464,961,605.75	1,501,734,504.79
Property, plant and equipment		4,287,761,821.48	4,444,239,239.28
Construction in progress		1,863,073,492.57	856,248,099.10
Right-of-use assets		171,878,246.76	-
Intangible assets		3,866,223,861.24	3,777,092,772.41
Long-term deferred expenses		50,758,414.87	58,705,952.97
Deferred tax assets		71,754,574.34	85,739,381.21
Other non-current assets		67,395,000.00	-
Total non-current assets		20,406,755,524.87	17,797,124,531.98
Total assets		29,620,704,870.48	29,021,248,976.59
<b>Current liabilities:</b>			
Short-term loans		1,234,890,481.77	1,257,179,389.40
Accounts payable		595,073,617.56	444,254,309.61
Advances from customers		81,824,785.92	97,380,931.49
Contract liabilities		1,919,954,541.32	2,283,994,068.70
Employee compensations payable		46,832,827.75	131,469,702.81
Taxes payable		359,818,683.29	546,100,633.28
Other payables		1,446,659,579.24	1,333,312,494.36
Non-current liabilities due within one year		2,031,849,229.82	1,315,026,574.43
Other current liabilities		3,530,643,289.78	3,556,664,822.79
Total current liabilities		11,247,547,036.45	10,965,382,926.87
<b>Non-current liabilities:</b>			
Long-term loans		604,000,000.00	282,000,000.00
Bonds payable		2,786,076,439.37	3,552,161,709.68
Lease liabilities		167,905,156.44	-
Estimated liabilities		110,620,306.10	110,620,306.10
Deferred incomes		25,834,540.46	26,545,277.30
Deferred income tax liabilities		52,303,754.50	69,623,249.14
Total non-current liabilities		3,746,740,196.87	4,040,950,542.22
Total Liabilities		14,994,287,233.32	15,006,333,469.09
<b>Owners' equity (or shareholders' equity):</b>			
Paid-in capital (or equity)		5,489,914,176.00	5,489,914,176.00
Capital reserves		1,844,177,445.65	1,833,256,515.22
Less: treasury stocks		137,298,000.00	137,298,000.00
Other comprehensive income		25,971,586.93	81,473,183.84
Surplus reserve		1,364,204,332.75	1,364,204,332.75
Retained earnings		6,039,448,095.83	5,383,365,299.69
Total owner's equity (or shareholders' equity)		14,626,417,637.16	14,014,915,507.50
Total liabilities and owners' equity (or shareholders' equity)		29,620,704,870.48	29,021,248,976.59

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

**Consolidated Income Statement**  
January-June 2021

Unit: RMB

Item	Notes	Jan-Jun 2021	Jan-Jun 2020
I. Total operating incomes		2,072,627,727.00	2,121,448,794.31
Including: operating incomes		2,072,627,727.00	2,121,448,794.31
II. Total operating costs		1,286,710,176.88	1,277,687,351.73
Including: operating costs		925,410,625.41	869,227,556.47
Taxes and surcharges		68,637,589.35	81,768,664.49
Selling expenses		74,042,931.03	87,887,071.86
General and administrative expenses		166,698,886.58	130,450,924.63
R&D expenses		4,569,138.44	17,081,225.94
Financial expenses		47,351,006.07	91,271,908.34
Including: interest		173,963,591.17	234,530,903.42
Interest income		117,153,799.20	120,683,282.59
Add: other income		9,046,028.12	13,684,424.06
Investment income (losses presented with "-")		263,831,792.50	119,150,641.25
Including: investment income from associated enterprises and joint ventures		263,788,954.78	13,185,907.49
Gains from changes in fair value (losses presented with "-")		1,128,592.10	20,193,509.58
Credit impairment loss (loss is indicated by "-")		-429,274.88	-2,379,335.67
Income from asset disposal (losses presented with "-")		101,911.42	1,095,496.24
III. Operating profit (losses presented with "-")		1,059,596,599.38	995,506,178.04
Plus: non-operating income		1,345,652.86	753,575.18
Less: non-operating expenses		1,121,094.44	3,230,897.12
IV. Total profits (total loss presented with "-")		1,059,821,157.80	993,028,856.10
Less: income taxes		212,576,766.64	272,987,186.07
V. Net profit (net loss presented with "-")		847,244,391.16	720,041,670.03
(I) Categorized by continuity of operation			
Net profits from continuing operation (net loss is indicated by "-")		847,244,391.16	720,041,670.03
(II) Categorized by ownership			
Net profits attributable to shareholders of the parent company (net loss is indicated by "-")		850,514,460.93	719,595,308.66
Minority interest (net loss is indicated by "-")		-3,270,069.77	446,361.37
VI. Net after-tax amount of other comprehensive income		-57,171,933.87	-6,851,012.93
(I) Other comprehensive income attributable to owners of the parent company, net of tax		-57,153,335.28	-6,851,012.93
1. Other comprehensive income that cannot be reclassified as profits or loss		-55,501,596.91	-6,584,935.23
(3) Changes in fair value of investments in other equity instruments		-55,501,596.91	-6,584,935.23
2. Other comprehensive income that will be reclassified as profits or loss		-1,651,738.37	-266,077.70
(6) Difference arising from the translation of foreign currency financial statements		-1,651,738.37	-266,077.70
(2) After -tax net of other comprehensive income attributable to minority shareholders		-18,598.59	-
VII. Total comprehensive income		790,072,457.29	713,190,657.10
(I) Total comprehensive income attributable to owners of the parent company		793,361,125.65	712,744,295.73
(II) Total comprehensive income attributable to minority shareholders		-3,288,668.36	446,361.37

VIII. Earnings per share:			
(I) Basic earnings per share		0.16	0.13
(II) Diluted earnings per share		0.15	0.13

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

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

### Income Statement of Parent Company

January-June 2021

Unit: RMB

Item	Notes	Jan-Jun 2021	Jan-Jun 2020
I. Revenue		1,588,046,245.78	1,662,962,086.90
Less: cost of sales		429,090,936.75	417,683,630.26
Taxes and surcharges		58,484,528.13	65,927,422.27
Selling expenses		47,108,501.28	71,698,416.11
General and administrative expenses		90,199,678.31	68,180,551.76
Financial expenses		46,070,392.65	93,978,042.43
Including: interest		173,963,591.17	234,530,903.42
Interest income		116,062,301.61	119,943,387.77
Add: other income		6,818,726.38	8,427,874.93
Investment income (losses presented with "-")		242,410,649.86	43,373,764.99
Including: investment income from associated enterprises and joint ventures		242,367,812.14	22,242,937.96
Gains from changes in fair value (losses presented with "-")		3,768,691.70	-11,815,305.33
Credit impairment loss (loss is indicated by "-")		-472,652.89	-75,439.45
Income from asset disposal (losses presented with "-")		-	-776.57
II. Operating profits (loss is indicated by "-")		1,169,617,623.71	985,404,142.64
Plus: non-operating income		1,312,807.46	469,374.66
Less: non-operating expenses		1,119,542.70	1,413,092.81
III. Profits before tax (loss is indicated by "-")		1,169,810,888.47	984,460,424.49
Less: income taxes		211,782,812.65	243,885,033.19
IV. Net profits (net loss is indicated by "-")		958,028,075.82	740,575,391.30
(I) Categorized by continuity of operation (net loss is indicated by "-")		958,028,075.82	740,575,391.30
V. Other comprehensive income, net of tax		-55,501,596.91	-6,584,935.23
(1) Other comprehensive income that cannot be reclassified into profit and loss		-55,501,596.91	-6,584,935.23
3. Changes in fair value of investments in other equity instruments		-55,501,596.91	-6,584,935.23
VI. Total comprehensive income		902,526,478.91	733,990,456.07
VII. Earnings per share:			
(I) Basic earnings per share		0.18	0.14
(II) Diluted earnings per share		0.17	0.14

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

**Consolidated Cash Flow Statement**

January-June 2021

Unit: RMB

Item	Notes	Jan-Jun 2021	Jan-Jun 2020
<b>1. Cash flow for operating activities:</b>			
Cash received from selling goods and providing labor services		2,103,613,100.95	1,607,591,030.14
Cash received for taxes and surcharges refunded		31,958,670.65	-
Other cash received related to operating activities		185,781,336.71	142,203,534.16
Subtotal of cash inflow from operating activities		2,321,353,108.31	1,749,794,564.30
Cash paid for purchasing goods and receiving labor services		1,072,180,983.15	728,107,752.48
Cash paid to and for employees		321,909,809.23	335,913,290.70
Taxes and surcharges paid		585,534,877.66	637,729,363.85
Other cash paid related to operating activities		174,991,613.52	751,110,857.43
Subtotal of cash outflow from operating activities		2,154,617,283.56	2,452,861,264.46
Net cash flow from operating activities		166,735,824.75	-703,066,700.16
<b>II. Cash flow for investment activities:</b>			
Cash received from investment		5,052,210,999.83	2,247,254,852.56
Cash received from investment income		103,616,646.00	21,358,547.58
Net cash received from disposal of property, plant and equipment, intangible assets and other long-term assets		43,092,520.72	-
Other cash received related to investing activities		1,326,599,831.00	192,154,897.34
Subtotal of cash inflow from investing activities		6,525,519,997.55	2,460,768,297.48
Cash paid for acquisition of property, plant and equipment, intangible assets and other long-term assets		1,064,887,215.22	1,193,403,588.05
Cash paid for investment		3,945,813,863.27	650,338,982.38
Other cash paid related to investing activities		1,550,981,005.00	-
Subtotal of cash outflow for investing activities		6,561,682,083.49	1,843,742,570.43
Net cash flow from investing activities		-36,162,085.94	617,025,727.05
<b>III. Cash flow for financing activities:</b>			
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 for obtaining loans		1,422,000,000.00	4,490,000,000.00
Cash received from bond issuance		5,000,000,000.00	1,999,200,628.92
Subtotal of cash inflow from financing activities		6,428,000,000.00	6,489,200,628.92
Cash paid for debt paying		6,232,000,000.00	6,200,000,000.00
Cash paid for distribution of dividends and profits, or payment for interest		400,351,190.76	159,190,038.50
Including: dividends and profits paid by subsidiaries to minority shareholders		-	114,400.00
Subtotal of cash outflow from financing activities		6,632,351,190.76	6,359,190,038.50

Net cash flow from financing activities		-204,351,190.76	130,010,590.42
<b>IV. Impact of changes in exchange rate on cash and cash equivalents</b>		769,966.77	-
<b>V. Net increase in cash and cash equivalents</b>		-73,007,485.18	43,969,617.31
Add: Opening balance of cash and cash equivalents		2,032,642,871.63	3,426,712,549.26
<b>VI. Closing balance of cash and cash equivalents</b>		1,959,635,386.45	3,470,682,166.57

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

### Cash Flow Statement of Parent Company

January-June 2021

Unit: RMB

Item	Notes	Jan-Jun 2021	Jan-Jun 2020
<b>1. Cash flow for operating activities:</b>			
Cash received from selling goods and providing labor services		1,118,280,046.33	215,927,804.72
Cash received for taxes and surcharges refunded		23,527,341.26	-
Other cash received related to operating activities		1,789,613,350.06	136,220,582.47
Subtotal of cash inflow from operating activities		2,931,420,737.65	352,148,387.19
Cash paid for purchasing goods and receiving labor services		154,026,249.28	244,988,576.96
Cash paid to and for employees		222,414,525.26	227,142,936.38
Taxes and surcharges paid		492,951,916.52	433,944,546.40
Other cash paid related to operating activities		1,990,862,090.20	504,258,445.05
Subtotal of cash outflow from operating activities		2,860,254,781.26	1,410,334,504.79
Net cash flow from operating activities		71,165,956.39	-1,058,186,117.60
<b>II. Cash flow for investment activities:</b>			
Cash received from investment		5,052,210,999.83	2,243,593,538.47
Cash received from investment income		99,366,646.00	21,358,547.58
Net cash received from disposal of property, plant and equipment, intangible assets and other long-term assets		42,716,005.31	-
Other cash received related to investing activities		1,326,599,831.00	135,595,485.59
Subtotal of cash inflow from investing activities		6,520,893,482.14	2,400,547,571.64
Cash paid for acquisition of property, plant and equipment, intangible assets and other long-term assets		970,900,182.64	1,114,320,349.50
Cash paid for investment		3,985,050,918.27	415,508,687.71
Other cash paid related to investing activities		1,492,745,800.00	-
Subtotal of cash outflow for investing activities		6,448,696,900.91	1,529,829,037.21
Net cash flow from investing		72,196,581.23	870,718,534.43

activities			
<b>III. Cash flow for financing activities:</b>			
Cash received for obtaining loans		1,422,000,000.00	4,490,000,000.00
Cash received from bond issuance		5,000,000,000.00	1,999,200,628.92
Subtotal of cash inflow from financing activities		6,422,000,000.00	6,489,200,628.92
Cash paid for debt paying		6,232,000,000.00	6,200,000,000.00
Cash paid for distribution of dividends and profits, or payment for interest		400,351,190.76	158,618,038.50
Subtotal of cash outflow from financing activities		6,632,351,190.76	6,358,618,038.50
Net cash flow from financing activities		-210,351,190.76	130,582,590.42
<b>IV. Impact of changes in exchange rate on cash and cash equivalents</b>			
<b>V. Net increase in cash and cash equivalents</b>		-66,988,653.14	-56,884,992.75
Add: Opening balance of cash and cash equivalents		1,885,867,436.92	3,305,541,700.68
<b>VI. Closing balance of cash and cash equivalents</b>		1,818,878,783.78	3,248,656,707.93

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

**Consolidated Statement of Changes in Owners' Equity**  
January-June 2021

Unit: RMB

Item	Jan-Jun 2021								
	Equity attributable to equity holders							Minority shareholders' equity	Total owner's equity
	Paid-in capital (share capital)	Capital reserves	Less: treasury stocks	Other comprehensive income	Surplus reserve	Retained earnings	Subtotal		
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. YoY change (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
(1) Total comprehensive income				-57,153,335.28		850,514,460.93	793,361,125.65	-3,288,668.36	790,072,457.29
(2) Capital invested and reduced by owner		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 share-based payment into owner's equity		17,010,813.12					17,010,813.12	153,142.01	17,163,955.13
(III) Profits distribution						-301,945,279.68	-301,945,279.68		-301,945,279.68
3 · Distribution to owners (or						-301,945,279.68	-301,945,279.68		-301,945,279.68

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shareholders)									
IV. Closing balance of the current period	5,489,914,176.0 0	1,611,917,337.7 9	137,298,000.0 0	20,996,326.05	1,364,257,808.5 8	5,716,867,387.7 5	14,066,655,036.1 7	19,345,473.8 1	14,086,000,509.9 8

Item	Jan-Jun 2020							
	Equity attributable to equity holders						Minority shareholders' equity	Total owner's equity
	Paid-in capital (or equity)	Capital reserves	Other comprehensive income	Surplus reserve	Retained earnings	Subtotal		
I. Closing balance of the same reporting period of previous year	5,443,214,176.0 0	1,524,183,779.6 4	66,267,192.74	1,236,166,911.8 1	4,750,787,389.1 7	13,020,619,449.3 6	63,679,633.85	13,084,299,083.2 1
II. Opening balance of the current year	5,443,214,176.0 0	1,524,183,779.6 4	66,267,192.74	1,236,166,911.8 1	4,750,787,389.1 7	13,020,619,449.3 6	63,679,633.85	13,084,299,083.2 1
III. YoY change (decrease is indicated by "-")		-15,959,450.81	-6,851,012.93		719,595,308.66	696,784,844.92	-28,148,773.1 0	668,636,071.82
(1) Total comprehensive income			-6,851,012.93		719,595,308.66	712,744,295.73	446,361.37	713,190,657.10
(2) Capital invested and reduced by owner		-15,959,450.81				-15,959,450.81	-28,595,134.4 7	-44,554,585.28
1 · Common shares contributed by owners							4,000,000.00	4,000,000.00



4 · Others		-15,959,450.81				-15,959,450.81	-32,595,134.47	-48,554,585.28
IV. Closing balance of the current period	5,443,214,176.00	1,508,224,328.83	59,416,179.81	1,236,166,911.81	5,470,382,697.83	13,717,404,294.28	35,530,860.75	13,752,935,155.03

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

### Statement of Changes in Owners' Equity of Parent Company

January-June 2021

Unit: RMB

Item	Jan-Jun 2021						
	Paid-in capital (share capital)	Capital reserves	Less: treasury stocks	Other comprehensive income	Surplus reserve	Retained earnings	Total owner's 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. YoY change (decrease is indicated by "-")		10,920,930.43		-55,501,596.91		656,082,796.14	611,502,129.66
(1) Total comprehensive income				-55,501,596.91		958,028,075.82	902,526,478.91
(2) Capital invested and reduced by owner		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

Item	Jan-Jun 2020
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	Paid-in capital (share capital)	Capital reserves	Other comprehensive income	Surplus reserve	Retained earnings	Total owner's equity
I. Closing balance of the same reporting period of previous year	5,443,214,176.00	1,489,516,614.19	66,421,903.33	1,236,113,435.98	4,363,644,248.36	12,598,910,377.86
II. Opening balance of the current year	5,443,214,176.00	1,489,516,614.19	66,421,903.33	1,236,113,435.98	4,363,644,248.36	12,598,910,377.86
III. YoY change (decrease is indicated by "-")		-1,420,000.00	-6,584,935.23		740,575,391.30	732,570,456.07
(1) Total comprehensive income			-6,584,935.23		740,575,391.30	733,990,456.07
(2) Capital invested and reduced by owner		-1,420,000.00				-1,420,000.00
4 · Others		-1,420,000.00				-1,420,000.00
IV. Closing balance of the current period	5,443,214,176.00	1,488,096,614.19	59,836,968.10	1,236,113,435.98	5,104,219,639.66	13,331,480,833.93

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

**III. Basic information of the Company****1. Company profile**

Applicable Not applicable

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

The Group’s main business activities: market development and operation and supporting services, 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 current year, please refer to Note VIII. Changes in consolidation scope

**IV. Preparation basis for 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. If an asset is impaired, the corresponding provision for impairment should be made in accordance with relevant regulations.

**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 on compliance with Accounting Standards for Business Enterprises**

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

**2. Fiscal period**

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

**3. Operating cycle**

Applicable Not applicable

Because of the period of the Company's business, the 12-month cycle is used to classify current assets and current liabilities.

**4. Bookkeeping currency**

The Company's functional currency is RMB.

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

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

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

Applicable Not applicable

Business mergers are divided into business mergers under the same control and business mergers not under the same control.

**Business merger under the same 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 merger date refers to the date on which the merging party actually obtains control of 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 acquisition date refers to the date on which the acquirer actually obtains control of 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. Standard for determining cash and cash equivalents**

Cash equivalents refer to the short-term (generally three months from the date of purchase) and highly liquid investments that are readily convertible to known amounts of cash and have a very low risk of change in value.

## 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 at fair value and whose changes are included in the current profit and loss**

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 at fair value and whose changes are included in the current profit and loss**

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 the accounts receivable and contract assets without material financing components, the Group uses a simplified method and measures the provision for loss based on the amount of expected credit loss during the entire term.

For financial assets other than those under above-mentioned simplified measurement method, the Group assesses whether its credit risk has increased significantly since the initial recognition on each balance sheet date. If the credit risk has not increased significantly since the initial recognition, it is in the first stage and the Group will measure the loss provision at the amount equivalent to the expected credit losses in the next 12 months, and calculate the interest income based on the book balance and the actual interest rate; if the credit risk has increased significantly since the initial recognition but no credit impairment has occurred, it is in the second phase, and the Group will measure the loss provision at the amount equivalent to the expected credit loss during the entire duration, and calculates the interest income based on the book balance and the actual interest rate; if the credit impairment occurs after initial recognition, it is in the third stage, and the Group will measure the loss provision at the amount equivalent to the expected credit loss during the entire duration and calculate the interest income based on the amortized cost and the actual 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. Inventories**

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

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

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

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

Applicable Not applicable

**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

**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. Investment real estate

### (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 a 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:

Type	Service life	Estimated net residual value	Annual depreciation rate
Houses and buildings	20-30 years	4%	3.2%-4.8%
Land use rights	40-70 years	-	1.4%-2.5%

## 23. Property, plant and equipment

### (1). Recognition requirements

Applicable Not applicable

Property, plant and equipment are only recognized when the economic benefits related to them are likely to flow into the Group and their costs can be reliably measured. 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 method

Applicable Not applicable

Type	Depreciation method	Depreciation period (number of	Residual value rate	Annual depreciation rate
------	---------------------	--------------------------------	---------------------	--------------------------

		years)		
Houses and buildings	Straight-line method	10-40	4%	2.4%-9.6%
General equipment	Straight-line method	5-10	4%	9.6%-19.2%
Transport vehicles	Straight-line method	6	4%	16.0%

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

Applicable Not applicable

For the property, plant and equipment under financing lease, the leased asset is depreciated under the same policy as that for the property, plant and equipment for own use. 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:

(1) 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

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 service 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 service 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 intangible assets is determined according to the period during which they can bring economic benefits to the Group. If the period during which they can bring economic benefits to the Group cannot be determined, they will be classified as intangible assets with uncertain service life.

The service life of intangible assets is as follows:

Type	Service life
Land use rights	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 expenditures are included in the current profits and losses when 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 deferred expenses

Applicable Not applicable

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

Type	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 salary

#### (1)、Accounting treatment of short-term salary

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.

**(2)、Accounting treatment of post-employment benefits**

Applicable Not applicable

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

**(3)、Accounting treatment of severance benefits**

Applicable Not applicable

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

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

Applicable Not applicable

**34. Lease liabilities**

Applicable Not applicable

At the commencement date of the lease period, the Group recognizes the present value of the outstanding lease payments as a lease liability, except for short term and low value leases. 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 stocks, perpetual bonds and other financial instruments**

Applicable Not applicable

**38. Incomes****(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 commercial spaces in the Commodity City and its operating supporting services, the provision of hotel accommodation services and hotel catering services, and the provision of fixed-term paid funding services to related parties outside the Group.

**The use of commercial spaces in the Commodity City and its supporting services**

Since customers obtain and consume the economic benefits brought about by the Group's performance at the time of the performance by the Group, the Group regards them as a performance obligation to be fulfilled within a certain period of time and recognizes an income based on the performance progress, except that the performance progress cannot be reasonably determined. Under the output method, the Group determines the performance progress of the provision of the use of commercial spaces in the Commodity City and the supporting services for its operation based on the number of using days of the commercial spaces. 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 is a monetary asset, it should be measured at 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 Group treats the account of government grants with the total amount method.

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 service 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 service life, the balance of the undistributed deferred income shall be transferred to the current profit and loss when the asset is disposal.

#### **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.

(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

#### **Original lease rules**

The leases that substantially transfer all risks and compensations in connection with the title of assets are financial leases, and others are operating leases.

The Group as the lessee to operating leases

The rental expenses under operating leases are recognized in the costs of assets or the profit or loss for the current period with the straight-line method during each period of the lease terms; contingent rentals are recognized in the profit or loss for the period at the time of being actually incurred.

The Group as the lessor to operating leases

The rental income under operating leases is recognized in the profit or loss for the current period with the straight-line method during each period of the lease terms; contingent rentals are recognized in the profit or loss for the period at the time of being actually incurred.

Rental concessions triggered by the COVID-19 epidemic

For rental reductions, such as rental reductions and payment postponement on the existing lease contracts that are directly caused by the COVID-19 epidemic, between the Group and the counter-parties, if all of the following conditions have been satisfied at the same time, the Group will adopt a simplified method for all leases:

(1) The lease consideration after the concession is reduced or basically unchanged from that before the concession;

(2) The concessions are only for the rentals payable before June 30, 2021;

(3) Through comprehensive consideration of qualitative and quantitative factors, it is determined that there are no major changes in other terms and conditions of the lease.

As a tenant

For operating leases, the Group will continue to include the original contractual rentals in the relevant asset costs or expenses in the same way as that before the concession. In the event of any rental reduction or exemption, the Group will treat the exempted rental as contingent rental and include it in the profit and loss during the exemption period.

As a lessor

For an operating lease, the Group continues to recognize the original contract rental as lease income in the same way as before the reduction; if rental reduction or exemption occurs, the Group will treat the reduced or exempted rental as a contingent rental and offset the rental income during the reduction or exemption period.

## **(2). Accounting treatment of financial lease**

Applicable Not applicable

### **Original lease rules**

For an asset leased under a finance lease, the entry value of the leased asset on the starting date of the lease term is the fair value of the asset on the starting date of the lease or the present value of the minimum lease payment, whichever is lower; and the amount of the minimum lease payment is taken as the entry value of long-term accounts payable; the difference between them is unrecognized financing expenses and will be amortized with the effective interest method during each period of the lease term. Contingent rentals are recognized in the profit or loss for the period at the time of being actually incurred.

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

Applicable Not applicable

When the Group is the lessee, it shall, on the commencement date of the lease, recognize the use-right assets and lease liabilities in addition to the short-term leases and low-value asset leases which are chosen to adopt simplified treatment. After the commencement of the lease period, the Group uses the cost model for subsequent measurement of the right to use assets. The use right assets are depreciation with reference to the related depreciation regulations in the "Accounting Standards for Business Enterprises No. 4—Fixed 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 service 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 service life of the leased asset. The Group determines whether the use right assets is impaired in accordance with the "Accounting Standards for Business Enterprises No. 8-Asset

Impairment”, and accounts for the identified impairment losses. 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. For those that should be included in relevant assets costs in accordance with the provisions in the “Accounting Standards for Business Enterprises No. 17-Borrowing Costs” and other standards, the provisions shall be implemented.

Where the Group acts as the lessor, it shall, during each period of the lease term, adopt the straight line method to recognize the lease receipts from the operating lease as rental income. Capitalizing the initial direct expenses incurred in connection with the operating lease, apportionment during the lease term on the same basis as the recognition of rental income, and recording them into current profits and losses in stages. For fixed assets in operating leased assets, the Group adopts the depreciation policy for similar assets. Other operating leased assets shall be amortized in a systematic and reasonable manner in accordance with the applicable accounting standards for business enterprises for such assets. In accordance with the “Accounting Standards for Business Enterprises No. 8-Asset Impairment”, the Company determines whether there is any impairment of assets under operating lease and performs corresponding accounting treatments.

#### **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 that market participants can receive from the sale of an asset or need to pay for the transfer of a liability in an orderly transaction that occurs 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.

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 Maturity date s 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 expenditures

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 tax assets

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

#### Service life and residual value of fixed assets

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

### 44. Changes in important accounting policies and accounting estimates

#### (1). Changes in important accounting policies

Applicable Not applicable

Contents and reason for changes in accounting policies	Approving procedure	Remarks (substantially affected items and amounts)
In 2018, the Ministry of Finance revised and issued the "Accounting Standards for Business Enterprises No. 21-Leases" (Cai Kuai [2018] No. 35) (hereinafter collectively referred to as the "New Standard for Lease"). The company will disclose the accounting statements according to the requirements of the New Standard for Lease.	Changes in statutory accounting policies	See other notes for details

Other notes:

In accordance with the New Standard for Lease, the Group presented all leases other than short-term leases and low-value leases with the Group as the lessee on January 1, 2021 in the statements, and recognized the use right assets and lease liabilities. The quantitative impact of the above changes on the specific

financial statement items is: On January 1, 2021, the consolidated balance sheet reduced the prepayment by RMB 13,149,903.82, and increased the use right assets and lease liabilities by RMB 185,837,176.77 and RMB 172,687,272.95 respectively.

**(2). Changes in important accounting estimates**

Applicable Not applicable

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

Applicable Not applicable

Consolidated Balance Sheet

Unit: RMB

Item	December 31, 2020	January 1, 2021	Adjustment
<b>Current assets:</b>			
Monetary capital	5,612,642,932.21	5,612,642,932.21	
Held-for-trading financial assets	51,712,734.31	51,712,734.31	
Accounts Receivable	153,573,476.86	153,573,476.86	
Prepayments	105,187,528.26	92,037,624.44	-13,149,903.82
Other receivables	2,708,478,136.25	2,708,478,136.25	
In which: interest receivable	121,401,210.48	121,401,210.48	
Inventories	1,329,467,728.17	1,329,467,728.17	
Other current assets	179,724,694.17	179,724,694.17	
Total current assets	10,140,787,230.23	10,127,637,326.41	-13,149,903.82
<b>Non-current assets:</b>			
Long-term receivables	126,756,573.81	126,756,573.81	
Long-term equity investment	3,832,897,502.71	3,832,897,502.71	
Other equity instruments investment	662,256,342.79	662,256,342.79	
Other non-current financial assets	1,523,925,249.81	1,523,925,249.81	
Investment real estate	1,960,426,291.73	1,960,426,291.73	
Property, plant and equipment	5,234,293,786.87	5,234,293,786.87	
Construction in progress	982,891,877.14	982,891,877.14	
Right-of-use assets		185,837,176.77	185,837,176.77
Intangible assets	3,900,780,981.92	3,900,780,981.92	
Development expenditures	22,223,061.09	22,223,061.09	

Long-term deferred expenses	110,728,723.36	110,728,723.36	
Deferred tax assets	99,664,328.84	99,664,328.84	
Other non-current assets	152,495,196.56	152,495,196.56	
Total non-current assets	18,609,339,916.63	18,795,177,093.40	185,837,176.77
Total assets	28,750,127,146.86	28,922,814,419.81	172,687,272.95
<b>Current liabilities:</b>			
Short-term loans	1,257,179,389.40	1,257,179,389.40	
Accounts payable	636,463,802.23	636,463,802.23	
Advances from customers	112,752,897.25	112,752,897.25	
Contract liabilities	2,442,211,788.88	2,442,211,788.88	
Employee compensations payable	161,498,997.53	161,498,997.53	
Taxes payable	495,400,499.73	495,400,499.73	
Other payables	1,646,345,561.62	1,646,345,561.62	
Non-current liabilities due within one year	1,315,026,574.4	1,315,026,574.4	
Other current liabilities	3,023,608,041.68	3,023,608,041.68	
Total current liabilities	11,090,487,552.75	11,090,487,552.75	
<b>Non-current liabilities:</b>			
Long- term loans	282,000,000.00	282,000,000.00	
Bonds payable	3,552,161,709.68	3,552,161,709.68	
Lease liabilities		172,687,272.95	172,687,272.95
Estimated liabilities	110,620,306.10	110,620,306.10	
Deferred incomes	26,545,277.30	26,545,277.30	
Deferred income tax liabilities	113,602,923.79	113,602,923.79	
Total non-current liabilities	4,084,930,216.87	4,257,617,489.82	172,687,272.95
Total Liabilities	15,175,417,769.62	15,348,105,042.57	172,687,272.95
<b>Owners' equity (or shareholders' equity):</b>			
Paid-in capital (or equity)	5,489,914,176.00	5,489,914,176.00	
Capital reserves	1,594,906,524.67	1,594,906,524.67	
Less: treasury stocks	137,298,000.00	137,298,000.00	
Other comprehensive income	78,149,661.33	78,149,661.33	
Surplus reserve	1,364,257,808.58	1,364,257,808.58	
Retained earnings	5,168,298,206.50	5,168,298,206.50	
Total owner's equity (or shareholders' equity) attributable to	13,558,228,377.08	13,558,228,377.08	



the parent company			
Minority shareholders' equity	16,481,000.16	16,481,000.16	
Total owner's equity (or shareholders' equity)	13,574,709,377.24	13,574,709,377.24	
Total liabilities and owners' equity (or shareholders' equity)	28,750,127,146.86	28,922,814,419.81	172,687,272.95

Statements on item adjustment:

Applicable Not applicable

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

#### Balance Sheet of Parent Company

Unit: RMB

Item	December 31, 2020	January 1, 2021	Adjustment
<b>Current assets:</b>			
Monetary capital	5,435,867,497.50	5,435,867,497.50	
Held-for-trading financial assets	6,632.72	6,632.72	
Accounts Receivable	14,671,577.47	14,671,577.47	
Prepayments	29,452,445.04	29,371,534.38	-80,910.66
Other receivables	2,651,640,610.06	2,651,640,610.06	
In which: interest receivable	121,401,210.48	121,401,210.48	
Inventories	10,144,965.06	10,144,965.06	
Other current assets	3,082,340,716.76	3,082,340,716.76	
Total current assets	11,224,124,444.61	11,224,043,533.95	-80,910.66
<b>Non-current assets:</b>			
Long-term receivables	61,250,000.00	61,250,000.00	
Long-term equity investment	6,083,135,428.02	6,083,135,428.02	
Other equity instruments investment	662,256,342.79	662,256,342.79	
Other non-current financial assets	266,722,811.41	266,722,811.41	

Investment real estate	1,501,734,504.79	1,501,734,504.79	
Property, plant and equipment	4,444,239,239.28	4,444,239,239.28	
Construction in progress	856,248,099.10	856,248,099.10	
Right-of-use assets		716,801.15	716,801.15
Intangible assets	3,777,092,772.41	3,777,092,772.41	
Long-term deferred expenses	58,705,952.97	58,705,952.97	
Deferred tax assets	85,739,381.21	85,739,381.21	
Total non-current assets	17,797,124,531.98	17,797,841,333.13	716,801.15
Total assets	29,021,248,976.59	29,021,884,867.08	635,890.49
<b>Current liabilities:</b>			
Short-term loans	1,257,179,389.40	1,257,179,389.40	
Accounts payable	444,254,309.61	444,254,309.61	
Advances from customers	97,380,931.49	97,380,931.49	
Contract liabilities	2,283,994,068.70	2,283,994,068.70	
Employee compensations payable	131,469,702.81	131,469,702.81	
Taxes payable	546,100,633.28	546,100,633.28	
Other payables	1,333,312,494.36	1,333,312,494.36	
Non-current liabilities due within one year	1,315,026,574.43	1,315,026,574.43	
Other current liabilities	3,556,664,822.79	3,556,664,822.79	
Total current liabilities	10,965,382,926.87	10,965,382,926.87	
<b>Non-current liabilities:</b>			
Long- term loans	282,000,000.00	282,000,000.00	
Bonds payable	3,552,161,709.68	3,552,161,709.68	
Lease liabilities		635,890.49	635,890.49
Estimated liabilities	110,620,306.10	110,620,306.10	
Deferred incomes	26,545,277.30	26,545,277.30	
Deferred income tax liabilities	69,623,249.14	69,623,249.14	
Total non-current liabilities	4,040,950,542.22	4,041,586,432.71	635,890.49
Total Liabilities	15,006,333,469.09	15,006,969,359.58	635,890.49
<b>Owners' equity (or shareholders' equity):</b>			
Paid-in capital (or equity)	5,489,914,176.00	5,489,914,176.00	
Capital reserves	1,833,256,515.22	1,833,256,515.22	
Less: treasury stocks	137,298,000.00	137,298,000.00	
Other comprehensive income	81,473,183.84	81,473,183.84	

Surplus reserve	1,364,204,332.75	1,364,204,332.75	
Retained earnings	5,383,365,299.69	5,383,365,299.69	
Total owner's equity (or shareholders' equity)	14,014,915,507.50	14,014,915,507.50	
Total liabilities and owners' equity (or shareholders' equity)	29,021,248,976.59	29,021,884,867.08	635,890.49

Statements on item adjustment:

Applicable Not applicable

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

Applicable Not applicable

The Group presented all leases other than short-term leases and low-value leases with the Group as the lessee on January 1, 2021 in the statements, and recognized the use right assets and lease liabilities. The quantitative impact of the above changes on the specific financial statement items is: On January 1, 2021, the consolidated balance sheet reduced the prepayment by RMB 13,149,903.82, and increased the use right assets and lease liabilities by RMB 185,837,176.77 and RMB 172,687,272.95 respectively.

**45. Others**

Applicable Not applicable

**VI. Taxes**

**1. Main tax varieties and tax rates**

Major taxes and tax rates

Applicable Not applicable

Tax variety	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	Indirect tax actually paid	5% or 7%

and construction tax		
Corporate income tax		Domestic enterprises should pay 25% of the taxable income of corporate income tax; Yiwu China Commodities City (Hong Kong) International Trade Co., Ltd. was registered in Hong Kong Special Administrative Region, so it is subject to the Hong Kong income tax rate, 16.50%; BETTER SILK ROAD FZE was registered in Dubai and no corporate income tax is levied.
Land appreciation tax	Ratio of appreciation value to deductible items	Four-bracket progressive tax rate (30%~60%)
Property tax	If the tax is levied according to price, the amount is 1.2% of the balance of the original value of the property after a 30% deduction; if the tax is levied according to rental, the amount is 12% of the rental income.	1.2% or 12%
Education surcharge	Indirect tax actually paid	3%
Local education surcharge	Indirect tax actually paid	2%
Cultural undertaking development fee	Advertising turnover	3%

Disclosure of taxpayers subject to different income tax rates

√Applicable □Not applicable

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

## 2. Tax preference

√Applicable □Not applicable

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

**3. Others**

Applicable Not applicable

**VII. Notes to items in consolidated financial statements****1. Monetary capital**

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Cash in stock	203,319.92	292,999.29
Bank Deposits	3,019,405,717.31	4,812,189,759.31
Other monetary capital	26,409.90	800,160,173.61
Total	3,019,635,447.13	5,612,642,932.21
In which: amount deposited abroad	27,247,689.61	25,679,209.72

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 at fair value and whose changes are included in the current profit and loss	57,568,002.17	51,712,734.31
Among them,		
Bank financing products	8,500,000.00	-
Equity instrument investment	49,068,002.17	51,712,734.31
Total	57,568,002.17	51,712,734.31

Other notes:

Applicable Not applicable

**3. Derivative financial assets**

Applicable Not applicable

**4. Notes receivable****(1). Categorized presentation of notes receivable**

Applicable Not applicable

**(2). Notes receivable having been pledged by the Company as of the close of the reporting period**

Applicable Not applicable

**(3). Notes receivable having been endorsed or discounted by the Company as of the close of the reporting period and having not been due as of the balance sheet date**

Applicable Not applicable

**(4). Notes turned into accounts receivable due to the drawers' non-performance at the close of the reporting period**

Applicable Not applicable

**(5). Categorized disclosure based on the bad debt provision method**

Applicable Not applicable

**(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

Age	Closing book balance
Within 1 year	139,343,225.15
1 to 2 years	111,942.00
2 to 3 years	285,968.46
Above 3 years	6,118.00
Less: bad debt provision for accounts receivable	143,685.77
<b>Total</b>	<b>139,603,567.84</b>

**(2). Categorized disclosure based on the bad debt provision method**

Applicable Not applicable

Unit: RMB

Type	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	(%)	Amount	Provisi on ratio (%)		Amount	(%)	Amount	Provisi on ratio (%)	

Accounts receivable for which bad debt provision is made individually	92,169,507.54	65.95	-	-	92,169,507.54	90,795,847.76	59.07	-	-	90,795,847.76
Accounts receivable for which bad debt provision is made by group	47,577,746.07	34.05	143,685.77	0.30	47,434,060.30	62,907,905.93	40.93	130,276.83	0.21	62,777,629.10
Total	139,747,253.61	/	143,685.77	/	139,603,567.84	153,703,753.69	/	130,276.83	/	153,573,476.86

Accounts receivable for which bad debt provision is made individually:

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

Age	End of June 2021		
	Estimated book balance in default	Expected credit loss rate (%)	Expected credit loss in whole duration
Within 1 year	47,173,717.61	0.13	60,439.05
1 - 2 years	111,942.00	8.79	9,839.08
2 -3 years	285,968.46	23.53	67,289.64
Above 3 years	6,118.00	100.00	6,118.00
Total	47,577,746.07		143,685.77

### (3). Provisions for bad debts

Applicable Not applicable

Unit: RMB

Type	Opening balance	Amount of change during the current period				Closing balance
		Accrual	Recovery or reversal	Charge-of or write-off	Other changes	

Bad debt provision for accounts receivable	130,276.83	13,408.94	-	-	-	143,685.77
Total	130,276.83	13,408.94	-	-	-	143,685.77

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

The Group is mainly engaged in market operation, hotel services and commodity sales, and the balance of receivables is mainly based on the market operation of commercial rate receivables, hotel consumption, trade receivables and advertising publishing fees. As of June 30, 2021, the analysis on the top five entities in terms of the the balance of accounts receivable is as follows:

Unit: RMB

Yuan

	Balance	Balance of bad debt provision	Percentage in the balance of accounts receivable (%)
Total balance of the accounts receivable with the top five entities	137,348,630.74	57,883.58	98.28

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

Applicable Not applicable

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

Applicable Not applicable

Other notes:

Applicable Not applicable

**6. Accounts receivable financing**

Applicable Not applicable



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

Unit: RMB

Age	Closing balance		Opening balance	
	Amount	(%)	Amount	(%)
Within 1 year	581,250,317.28	97.46	89,507,511.37	97.24
1 to 2 years	13,692,579.73	2.30	2,329,113.07	2.54
2 to 3 years	1,338,813.85	0.22	-	-
Above 3 years	101,000.00	0.02	201,000.00	0.22
Total	596,382,710.86	100	92,037,624.44	100

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

None

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

On June 30, 2021, the top five entities in terms of the balance of prepayment are as follows:

Unit: RMB

Proportion in the closing balance		
Supplier	Book balance	of prepayments (%)
JEFI AQUATECH RESOURCES SDN.BHD.	25,666,395.57	4.30
PACIFIC SEAFOOD TRADER SA	21,511,180.45	3.61
PROCESADORA DE MARISCOS DE EL ORO PROMARO S.A.	13,997,619.48	2.35
NEGOCIOS INDUSTRIALES REAL NIRSA S.A.	13,365,870.70	2.24
Zhejiang Public Information Industry Co., Ltd.	11,396,482.03	1.91
Total	85,937,548.23	14.41

Other descriptions

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

Unit: RMB

Item	Closing balance	Opening balance
Interest receivable	184,625,160.72	121,401,210.48
Other receivables	2,887,861,596.99	2,587,076,925.77
Total	3,072,486,757.71	2,708,478,136.25

Other notes:

Applicable Not applicable

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

Unit: RMB

Item	Closing balance	Opening balance
Cash occupation fee for receivables	184,625,160.72	121,401,210.48
Total	184,625,160.72	121,401,210.48

**(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****(4). Disclosure based on account age**√Applicable Not applicable

Unit: RMB

Age	Closing book balance
Within 1 year	2,854,871,193.91
1 to 2 years	7,384,224.96
2 to 3 years	4,017,126.39
Above 3 years	25,743,430.09
Less: Provision for bad debts of other receivables	4,154,378.36
Total	2,887,861,596.99

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

Unit: RMB

Nature of account	Closing book balance	Opening book balance
Financial assistance receivable from joint ventures	2,791,718,748.00	2,480,172,779.00
Withholdings, deposit and margin	85,534,352.32	59,045,233.81
Receivables from self-operated land	-	42,493,714.00
Receivables from export tax rebate	8,977,301.44	4,841,801.31
Reserve	1,631,195.23	523,397.65
Total	2,887,861,596.99	2,587,076,925.77

**(6). Bad debt provision**
Applicable Not applicable

Unit: RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit loss in the coming 12 months	Expected credit loss in the entire duration (credit has not been impaired)	Expected credit loss in the entire duration (credit has been impaired)	
Balance as of January 1, 2021	3,768,512.43			3,768,512.43
Balance as of January 1, 2021 in the current period				
Provision made in the current period	535,949.33			535,949.33
Current reversal	120,083.39			120,083.39
Write-off in current period	30,000.01			30,000.01
Balance as of June 30, 2021	4,154,378.36			4,154,378.36

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
**(7). Provisions for bad debts**
Applicable Not applicable

Unit: RMB

Type	Opening balance	Amount of change during the current period				Closing balance
		Accrual	Recovery or reversal	Charge-off or write-off	Other changes	
Bad debt	3,768,512.43	535,949.33	120,083.39	30,000.01	-	4,154,378.36

provision for other receivables						
Total	3,768,512.43	535,949.33	120,083.39	30,000.01	-	4,154,378.36

In which the recovered or reversed amount is important:

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

Unit: RMB

Debtor	Nature of receivable	Closing balance	Age	Weight in the total closing balance of other receivables (%)	Bad debt provision Closing balance
Yiwu Guoshen Shangbo Property Co., Ltd.	Financial assistance	1,372,000,000.00	Within 1 year	47.44	-
Yiwu Tonghui Shangbo Real Estate Co., Ltd.	Financial assistance	929,728,548.00	Within 1 year	32.15	-
Yiwu Handing Shangbo Real Estate Co., Ltd.	Financial assistance	489,990,200.00	Within 1 year	16.94	-
Yisha Chengdu International Trade City Co., Ltd.	Current payments	15,000,000.00	Within 1 year	0.52	-
Hangzhou Property Maintenance Funds Management Center	Residential property maintenance funds	13,180,039.22	Above 3 years	0.46	2,636,007.84
Total	/	2,819,898,787.22	/	97.51	2,636,007.84

**(10). Receivables involving government grants**

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

Other notes:

Applicable Not applicable

**9. Inventories****(1). Category 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	245,661.18	-	245,661.18	402,020.27	-	402,020.27
Finished goods	102,207,980.24	-	102,207,980.24	75,506,826.35	-	75,506,826.35
Development costs	381,426,679.54	28,303,338.06	353,123,341.48	341,654,440.82	28,303,338.06	313,351,102.76
Development products	932,153,659.76	-	932,153,659.76	932,153,659.76	-	932,153,659.76
Work-in-progress materials	9,461,945.17	-	9,461,945.17	8,054,119.03	-	8,054,119.03
Total	1,425,495,925.89	28,303,338.06	1,397,192,587.83	1,357,771,066.23	28,303,338.06	1,329,467,728.17

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

Applicable Not applicable

Unit: RMB

Item	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Accruals	Others	Charge-off or write-off	Others	
Development costs	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, 2021, the inventory with a book value of RMB 35,797,443.87 (December 31, 2020: RMB 35,797,443.87) was formed by capitalization of borrowing costs.

**(4). Amortization of contract performance cost during the current period**Applicable √Not applicable

Other notes:

√Applicable Not applicable

Inventory-Development Cost

Unit: RMB-yuan Currency: RMB

Project	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Haicheng Phase I Business Street	67,907,950.27	-	-	67,907,950.27
Haicheng Phase II Business Street	273,746,490.55	39,772,238.72	-	313,518,729.27
Total	341,654,440.82	39,772,238.72	-	381,426,679.54

Inventory-Developed Products

Unit: RMB-yuan Currency: RMB

Project	Opening balance	Increase in the current period	Delivered during current reporting period	Closing balance
Haicheng Phase I Business Street	918,976,130.79	-	-	918,976,130.79
Qiantang Yinxiang	238,807.22	-	-	238,807.22
Shuangchuang Building	12,938,721.75	-	-	12,938,721.75
Total	932,153,659.76	-	-	932,153,659.76

**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
Entrusted loans to the merchants	2,917,329.34	3,279,187.50
To-be-deducted input tax	228,287,916.99	162,435,010.24
To-be-certified input tax	6,071,931.60	14,195,996.43
Less: bad debt provision for entrusted loans	-185,500.00	-185,500.00
Total	237,091,677.93	179,724,694.17

Other notes:

None

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

□Applicable √Not applicable

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

□Applicable √Not applicable

**(3). Provision for impairment**

□Applicable √Not applicable

**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	186,094,734.90	-	186,094,734.90	126,756,573.81	-	126,756,573.81	

Total	186,094,734.90	-	186,094,734.90	126,756,573.81	-	126,756,573.81	/
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**(2) Bad debt provision**

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

Other notes:

Applicable Not applicable

**17. Long-term equity investment**

Applicable Not applicable

Unit: RMB

Investee	Opening amount Balance	Change in the current period				Closing amount Balance	Closing balance of impairment provision
		Additional investment	Investment gains or losses recognized with the equity method	Declared a cash dividend or profit	Others		
<b>1. Joint ventures</b>							
Yiwu Shanglv	365,830,756.91		12,789,131.55			378,619,888.46	
Yiwu Rongshang Property Co., Ltd.	22,319,075.64		-1,407,757.91			20,911,317.73	
Yiwu Chuangcheng Property Co., Ltd.	11,444,786.74		-2,699,662.50			8,745,124.24	
Others	15,284,720.18	17,850,000.00	-821,967.18			32,312,753.00	3,327,216.16
Subtotal	414,879,339.47	17,850,000.00	7,859,743.96			440,589,083.43	3,327,216.16
<b>2. Associates</b>							
Binjiang Shangbo	154,152,267.42		20,772,839.91	98,000,000.00		76,925,107.33	
Huishang Micro-finance	71,396,566.07		-1,784,080.98			69,612,485.09	
Yiwu Huishang Redbud Equity Investment Co., Ltd.	78,072,569.23		8,320,885.50			86,393,454.73	
Chouzhou Financial Lease	371,320,662.02		29,458,129.47			400,778,791.49	
Yiwu China Commodities City Investment Management Co., Ltd.							9,508,049.22
Yiwu China Commodities City Fuxing Investment Center (limited partnership)	102,918,559.00					102,918,559.00	
Pujiang Lvgu Property Co., Ltd.	379,672,466.65		117,772,150.42			497,444,617.07	
CCCCP	1,471,572,953.91	1,225,000,000.00	81,906,773.78		-13,393,890.76	2,765,085,836.93	
Yiwu Hongyi Equity Investment Fund Partnership (limited partnership)	689,756,805.12		3,297,063.43			693,053,868.55	
Others	99,155,313.82	56,342,096.66	-3,814,550.71		35,272.14	151,718,131.91	
Subtotal	3,418,018,163.24	1,281,342,096.66	255,929,210.82	98,000,000.00	-13,358,618.62	4,843,930,852.10	9,508,049.22
<b>Total</b>	<b>3,832,897,502.71</b>	<b>1,299,192,096.66</b>	<b>263,788,954.78</b>	<b>98,000,000.00</b>	<b>-13,358,618.62</b>	<b>5,284,519,935.53</b>	<b>12,835,265.38</b>

Other descriptions

Provision for impairment of long-term equity investment :

Unit: RMB

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

Note 1: In 2017, Yiwu China Commodities City Financial Holdings Co., Ltd. (hereinafter referred to as "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 Commodity City Investment Management Co., Ltd. (hereinafter referred to as "CCCIM") with Fuxing as the general partner of the above-mentioned FOF and sub-funds. The FoF and CCCIM are both under the control of Fuxing and are associates of 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, 2021, the Group's investment in the Fund of Funds and Shangfu Chuangzhi Fund was non-related to Fuxing's investment, and there was no indication of impairment of the underlying assets. Although they were still frozen, but without affecting the Group's equity. Therefore, there was no impairment. However, for the equity investment managed for the Yiwu CCC, a full impairment provision has been made since 2018. See Notes VII.81 and Notes XIV. 1 for details.

## 18. Other equity instruments investment

### (1). Overview of other equity instruments investment

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Shenwan Hongyuan Group Co.,	588,254,213.58	662,256,342.79

Ltd.		
Total	588,254,213.58	662,256,342.79

**(2). Non-trading equity instruments investment**

Applicable Not applicable

Other notes:

Applicable Not applicable

**19. Other non-current financial assets**

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Unlisted equity investment	134,582,725.74	134,582,725.75
PE investment	1,378,094,335.77	1,341,220,243.72
NEEQ equity investment	52,846,431.00	48,122,280.34
Total	1,565,523,492.51	1,523,925,249.81

Other notes:

None

**20. Investment real estate**

Measurement models

**(1). Property investment measured by cost**

Unit: RMB

Item	Buildings and structures	Land use rights	Total
I. Original book value			
1. Opening balance	1,952,906,526.61	428,095,086.44	2,381,001,613.05
4. Closing balance	1,952,906,526.61	428,095,086.44	2,381,001,613.05
II. Cumulative depreciation and amortization			
1. Opening balance	352,149,349.88	68,425,971.44	420,575,321.32
2. Increase in the current period	40,831,270.32	5,469,706.56	46,300,976.88
(1) Accruals or amortization	40,831,270.32	5,469,706.56	46,300,976.88
4. Closing balance	392,980,620.20	73,895,678.00	466,876,298.20
III. Provision for impairment	-	-	-
IV. Book value			
1. Opening book value	1,559,925,906.41	354,199,408.44	1,914,125,314.85
2. Closing book value	1,600,757,176.73	359,669,115.00	1,960,426,291.73

**(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	108,069,210.67	Completion settlement not completed
Total	108,069,210.67	

Other descriptions

√Applicable □Not applicable

On June 30, 2021, amount of the investment real estate for which the property right certificate has not yet been obtained was RMB 108,069,210.67.

**21. Property, plant and equipment****Presentation of items**

√Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Property, plant and equipment	5,043,245,326.60	5,234,293,786.87
Total	5,043,245,326.60	5,234,293,786.87

Other notes:

None

**Property, plant and equipment****(1). Property, plant and equipment**

√Applicable □Not applicable

Unit: RMB

Item	Houses and buildings	Machinery and equipment	Transport vehicles	Total
I. Original book value:				
1. Opening balance	7,419,947,051.90	3,785,579,073.90	17,844,183.85	11,223,370,309.65
2. Increase in the current period	2,946,619.06	2,592,653.24	271,281.00	5,810,553.30
(1) Acquisition	-	2,505,974.59	271,281.00	2,777,255.59
(2) Changeover from construction in progress	2,946,619.06	86,678.65	-	3,033,297.71
3. Decrease in the current period	-	9,442,337.92	397,282.05	9,839,619.97
(1) Disposal or scrap	-	9,442,337.92	397,282.05	9,839,619.97
4. Closing balance	7,422,893,670.96	3,778,729,389.22	17,718,182.80	11,219,341,242.98
II. Accumulated depreciation				
1. Opening balance	2,443,460,695.43	3,061,676,908.45	12,775,451.05	5,517,913,054.93
2. Increase in the current period	144,652,398.57	51,510,771.48	466,947.92	196,630,117.97
(1) Accruals	144,652,398.57	51,510,771.48	466,947.92	196,630,117.97
3. Decrease in the current period	-	9,229,333.60	381,390.77	9,610,724.37
(1) Disposal or scrap	-	9,229,333.60	381,390.77	9,610,724.37

4. Closing balance	2,588,113,094.00	3,103,958,346.33	12,861,008.20	5,704,932,448.53
III. Provision for impairment				
1. Opening balance	471,163,467.85	-	-	471,163,467.85
4. Closing balance	471,163,467.85	-	-	471,163,467.85
IV. Book value				
1. Opening book value	4,363,617,109.11	674,771,042.89	4,857,174.60	5,043,245,326.60
2. Closing book value	4,505,322,888.62	723,902,165.45	5,068,732.80	5,234,293,786.87

**(2). Temporarily idle fixed assets**

Applicable Not applicable

**(3). Fixed assets leased in through financial lease**

Applicable Not applicable

Unit: RMB

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

**(4). Fixed assets leased out through operating lease**

Applicable Not applicable

**(5). Information of property, plant and equipment without property right certificate**

Applicable Not applicable

Unit: RMB

Item	Book value	Reasons for the absence of the property right certificates
Huangyuan Clothing Market	266,148,929.12	Completion settlement not completed
CCC Hotel	55,177,830.32	Completion settlement not completed
Liaoning Xiliu Yiwu China Commodity City	424,042,319.75	Completion settlement not completed
The hotel as a auxiliary work for Yixi Project	505,723,716.40	Completion settlement not completed
Total	1,251,092,795.59	

## 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, 2021, the amount of fixed assets for which the property right certificate has not yet been obtained due to the pending final settlement was RMB 1,251,092,795.59.

**Liquidation of property, plant and equipment**

Applicable Not applicable

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

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Construction in progress	2,011,597,180.39	982,891,877.14
Total	2,011,597,180.39	982,891,877.14

Other notes:

None

**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	235,273,844.69		235,273,844.69	166,382,416.70		166,382,416.70
Liaoning Xiliu Yiwu China Commodities City Commerce Phase I Project—Hotel Project	32,290,506.33	-4,635,059.96	27,655,446.37	32,290,506.33	-4,635,059.96	27,655,446.37
The Zhimei Dachen tourism project	60,444,034.88		60,444,034.88	43,194,369.48		43,194,369.48
The Chian West Sea tourism project	59,538,399.10		59,538,399.10	54,552,839.23		54,552,839.23
The renovation project of Yindu Hotel and Office Building	124,778,522.12		124,778,522.12	55,553,736.33		55,553,736.33
The Yiwu Comprehensive Bonded Zone Project	1,204,416,342.88		1,204,416,342.88	505,797,275.02		505,797,275.02
The business station project of the warehouse park of the Yiwu CCC	89,894,127.82		89,894,127.82	89,894,127.82		89,894,127.82
The lighting project in Zone IV	29,724,101.17		29,724,101.17	29,724,101.17		29,724,101.17
Zone II East Parking Lot Project	145,961,821.34		145,961,821.34	7,346,035.44		7,346,035.44
Global Digital Free Trade Center Project	15,772,923.38		15,772,923.38	-		-
Other projects	18,137,616.64		18,137,616.64	2,791,529.58		2,791,529.58
Total	2,016,232,240.35	-4,635,059.96	2,011,597,180.39	987,526,937.10	-4,635,059.96	982,891,877.14

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

Applicable Not applicable

Unit: RMB10,000

Project	Budget	Opening amount Balance	Increase in the current period	Amount changed into fixed assets	Closing amount Balance	Proportion of total project investment in budget (%)	Progress of project	Cumulative amount of interest capitalized	In which: capitalized interest in the current period	Interest capitalization ratio for the current period (%)	Source of funds
West Yiwu International Means of Production Market Auxiliary Project	133,916.00	16,638.24	6,889.14		23,527.38	85.45	Under construction as a whole	9,466.76	553.06	3.65	Self-owned/financing
Liaoning Xiliu Yiwu China Commodities City Commerce Phase I Project—Hotel Project	180,000.00	2,765.54	-	-	2,765.54	96.32	Suspended	154.61	-		Self-owned/financing
The Zhimei Dachen tourism project	6,000.00	4,319.44	1,724.97	-	6,044.41	100	Under construction as a whole				Self-owned
The Chian West Sea tourism project	6,000.00	5,455.28	498.56	-	5,953.84	99.23	The infrastructure project has been completed				Self-owned
The renovation project of Yindu Hotel and Office Building	25,000.00	5,555.37	6,922.48	-	12,477.85	49.91	Under construction as a whole				Self-owned
The Yiwu Comprehensive Bonded Zone Project	624,250.00	50,579.73	69,861.91	-	120,441.64	19.29	Under construction as a whole	1,196.60	1,196.60	3.65	Self-owned/financing
The business station project of the warehouse park of the Yiwu CCC	19,000.00	8,989.41	-	-	8,989.41	47.31	Under construction as a whole				Self-owned
The lighting project in Zone IV	4,000.00	2,972.41	-	-	2,972.41	-	Under construction as a whole				Self-owned
Zone II East Parking Lot Project	60,706.00	734.60	13,861.58	-	14,596.18	24.04	Under construction as a whole				Self-owned
Other projects		279.17	3,415.22	303.33	3,391.06	-					Self-owned

Total	1,058,872.00	98,289.19	103,173.86	303.33	201,159.72	/	/	10,817.97	1,749.66	/	/
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**(3). Provision made for the impairment of construction in progress in the current period**

Applicable Not applicable

Other descriptions

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**

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

Applicable Not applicable

**(2). Bearer biological asset measured by fair value**

Applicable Not applicable

Other descriptions

Applicable Not applicable

**24. Oil and gas assets**

Applicable Not applicable

**25. Right-of-use assets**

Applicable Not applicable

Unit: RMB

Item	Houses and buildings	Total
I. Original book value		
1. Opening balance	185,837,176.77	185,837,176.77
4. Closing balance	185,837,176.77	185,837,176.77
II. Accumulated depreciation		
1. Opening balance	-	-
2. Increase in the current period	6,032,905.14	6,032,905.14
(1) Provision	6,032,905.14	6,032,905.14
4. Closing balance	6,032,905.14	6,032,905.14
III. Provision for impairment		
IV. Book value		
1. Opening book value	179,804,271.63	179,804,271.63
2. Closing book value	185,837,176.77	185,837,176.77

Other notes:

None

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

√Applicable □Not applicable

Unit: RMB

Item	Land use rights	Software	Total
I. Original book value			
1. Opening balance	5,390,387,256.44	19,279,040.17	5,409,666,296.61
2. Increase in the current period	151,101,000.00	7,035,970.17	158,136,970.17
(1) Acquisition	151,101,000.00	7,035,970.17	158,136,970.17
4. Closing balance	5,541,488,256.44	26,315,010.34	5,567,803,266.78
II. Accumulated amortization			
1. Opening balance	1,504,667,791.47	4,217,523.22	1,508,885,314.69
2. Increase in the current period	68,419,767.05	1,180,188.25	69,599,955.30
(1) Accruals	68,419,767.05	1,180,188.25	69,599,955.30
4. Closing balance	1,573,087,558.52	5,397,711.47	1,578,485,269.99
III. Provision for impairment			
IV. Book value			
1. Opening book value	3,968,400,697.92	20,917,298.87	3,989,317,996.79
2. Closing book value	3,885,719,464.97	15,061,516.95	3,900,780,981.92

At the end of the period, the percentage of the intangible assets formed through the Company's internal research and development in the balance of intangible assets was 0%

**(2). Information of land use rights without property right certificates**

□Applicable √Not applicable

Other notes:

□Applicable √Not applicable

**27. Development expenditures**

√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	Others	Recognized as intangible assets	Transferred into current profit and loss	
The development project for platform "chinagoods"	22,223,061.09	11,638,877.71	-	-	-	33,861,938.80
International	-	2,594,339.62	-	-	-	2,594,339.62



logistics platform development project						
Total	22,223,061.09	14,233,217.33	-	-	-	36,456,278.42

Other notes:

None

## 28. Goodwill

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

Applicable Not applicable

### (2). Provision for goodwill impairment

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

Other notes:

Applicable Not applicable

## 29. Long-term deferred 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	107,142,460.81	4,085,879.10	24,393,382.04	86,834,957.87
Advertising facilities	3,586,262.55	36,575.00	1,978,059.74	1,644,777.81
Total	110,728,723.36	4,122,454.10	26,371,441.78	88,479,735.68

Other notes:

None

**30. Deferred income tax assets/deferred income tax liabilities****(1). Deferred income tax assets having not been offset**

√Applicable □Not applicable

Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred tax assets	Deductible temporary difference	Deferred tax assets
Provision for impairment of assets	49,487,964.19	12,371,991.05	18,551,468.79	4,637,867.20
Unrealized profits of internal transactions	1,094,793.10	273,698.28	1,094,793.10	273,698.27
Deductible loss	19,006,883.14	4,751,720.79	19,006,883.14	4,751,720.78
Recognized but unpaid liabilities	180,901,191.31	45,225,297.83	268,732,373.15	67,183,093.30
Overspent advertising cost	9,689,617.59	2,422,404.40	9,689,617.59	2,422,404.41
Changes in the fair value of other non-current financial assets	83,471,636.00	20,867,909.00	81,582,179.51	20,395,544.88
Total	343,652,085.33	85,913,021.35	398,657,315.28	99,664,328.84

**(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 liabilities	Taxable temporary difference	Deferred income tax liabilities
Asset evaluation appreciation for merger of the enterprises not under common control	974,224.40	243,556.10	1,068,720.92	267,180.23
Change in fair value of other equity instruments investment	34,628,782.60	8,657,195.65	108,630,911.81	27,157,727.95
Changes in the fair value of other non-current financial assets	347,730,110.89	86,932,527.72	343,005,960.28	85,751,490.08
Changes in fair value of trading financial assets	-	-	1,706,102.10	426,525.53
Total	383,333,117.89	95,833,279.47	454,411,695.11	113,602,923.79

**(3). Deferred income tax assets or liabilities presented in net amount after offsetting**

Applicable Not applicable

**(4). Breakdown of unrecognized deferred income tax assets**

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Deductible temporary difference	441,165,046.56	466,278,633.25
Deductible loss	980,125,994.92	908,844,380.05
Total	1,421,291,041.48	1,375,123,013.30

**(5). The deductible loss in unrecognized deferred income tax assets will be due in the following years**

Applicable Not applicable

Unit: RMB

Year	Closing amount	Opening amount	Remarks
2021		34,738,115.44	
2022	245,346,275.18	245,346,275.18	
2023	145,652,609.01	145,652,609.01	
2024	226,329,502.26	226,329,502.26	
2025	256,777,878.16	256,777,878.16	
2026	106,019,730.31		
Total	980,125,994.92	908,844,380.05	/

Other notes:

Applicable Not applicable

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

**31. Other non-current assets**

Applicable Not applicable

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Prepaid land transfer fees	138,253,316.00	-	138,253,316.00	138,253,316.00	-	138,253,316.00

Prepayment for renovation works and prepaid decoration rent	14,967,128.63	-	14,967,128.63	14,241,880.56	-	14,241,880.56
Prepaid payment for equity transfer	67,395,000.00	-	67,395,000.00	-	-	-
<b>Total</b>	<b>220,615,444.63</b>	<b>-</b>	<b>220,615,444.63</b>	<b>152,495,196.56</b>	<b>-</b>	<b>152,495,196.56</b>

Other notes:  
None

### 32. Short-term loans

#### (1). Categories of short-term loans

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Credit loans	1,234,890,481.77	1,257,179,389.40
<b>Total</b>	<b>1,234,890,481.77</b>	<b>1,257,179,389.40</b>

Note to the classification of short-term borrowings:  
None

#### (2). Overdue short-term borrowings

Applicable Not applicable

Other notes:

Applicable Not applicable

As of June 30, 2021, the annual interest rate of the above-mentioned borrowing is 1.20%-3.915% (December 31, 2020: 1.20%-4.35%).

### 33. Held-for-trading financial liabilities

Applicable Not applicable

### 34. Derivative financial liabilities

Applicable Not applicable

### 35. Notes payable

Applicable Not applicable

### 36. Accounts payable

#### (1). Presentation of accounts payable

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Accounts payable for real estate projects	40,440,743.90	57,763,664.12
Accounts payable for market and auxiliary works projects	665,524,219.25	511,789,572.40
Accounts payable for procurement for the hotel project	23,091,039.22	26,767,337.63
Others	78,345,121.56	40,143,228.08
<b>Total</b>	<b>807,401,123.93</b>	<b>636,463,802.23</b>

**(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	11,447,649.57	Settlement has not been completed or the projects are within the warranty periods
<b>Total</b>	<b>11,447,649.57</b>	<b>/</b>

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	101,804,405.84	105,773,195.96
Others	6,380,988.65	6,979,701.29
<b>Total</b>	<b>108,185,394.49</b>	<b>112,752,897.25</b>

**(2). Important advances from customers with age of over 1 year**

□Applicable √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, 2021, 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 commercial spaces	1,890,268,302.59	2,243,528,509.65
Advances from customers for housing purchase	3,856,621.50	3,856,621.50
Advances from customers for goods	495,200,615.30	100,786,067.26
Advances from customers for use fee of networking cables	11,538,314.52	10,534,354.07
Advances from customers for advertising fee	86,543,507.04	57,095,601.13
Advances from customers for loyalty of brands	2,262,863.75	3,270,729.29
Others	35,928,503.61	23,139,905.98
Total	2,525,598,728.31	2,442,211,788.88

**(2). Amount of and reasons for material changes to book value during the reporting period**Applicable Not applicable

Other notes:

Applicable Not applicable**39. Employee compensations payable****(1). Presentation of employee compensations payable**√Applicable Not applicable

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Short-term compensations	159,703,155.55	191,071,712.41	300,942,771.10	49,832,096.86
II. Post-employment benefits-defined contribution plans	1,795,841.98	15,757,387.86	15,265,582.72	2,287,647.12
III. Dismissal benefits	-	3,092,292.95	3,092,292.95	-
Total	161,498,997.53	209,921,393.22	319,300,646.77	52,119,743.98

**(2). Presentation of short-term compensations**√Applicable Not applicable

Unit: RMB

Item	Opening balance	Increase in the	Decrease in the	Closing balance
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		current period	current period	
I. Salaries, bonuses, allowances and subsidies	158,575,947.86	146,651,124.27	257,068,765.76	48,158,306.37
II. Employee benefits	-	14,325,052.88	14,325,052.88	-
III. Social insurance premiums	965,231.59	10,010,465.56	9,803,559.00	1,172,138.15
Including: medical insurance premiums	887,294.94	9,738,778.11	9,543,258.67	1,082,814.38
Work-related injury insurance premiums	48,011.60	229,147.31	216,827.84	60,331.07
Maternity insurance premiums	29,925.05	42,540.14	43,472.49	28,992.70
IV. Housing provident funds	110,017.00	14,302,293.00	14,325,437.00	86,873.00
V. Labor union funds and employee education funds	51,959.10	5,782,776.70	5,419,956.46	414,779.34
Total	159,703,155.55	191,071,712.41	300,942,771.10	49,832,096.86

**(3). Presentation of defined contribution plans**

√Applicable □Not applicable

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
1. Contribution to the basic endowment insurance scheme	1,665,658.10	15,258,412.83	14,781,498.78	2,142,572.15
2. Contribution to the unemployment insurance scheme	130,183.88	498,975.03	484,083.94	145,074.97
Total	1,795,841.98	15,757,387.86	15,265,582.72	2,287,647.12

Other notes:

□Applicable √Not applicable

**40. Taxes payable**

√Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance
VAT	27,519,872.91	90,094,604.12
Business tax	-240,013.55	-431,783.32
Corporate income tax	181,887,473.04	341,382,542.08
Personal income tax	1,219,628.49	1,008,552.21
Urban maintenance and construction tax	1,849,817.52	5,176,906.98
Land appreciation tax	-109,576,320.66	-47,134,688.35
Property tax	121,152,658.95	93,881,697.54
land holding tax	7,358,993.26	5,357,865.24
Others	889,521.46	6,064,803.23

Total	232,061,631.42	495,400,499.73
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Other notes:

On June 30, 2021, the details of the main taxes prepaid by the Group are as follows:

Unit: RMB

Item	Qiantang Yinxiang	Oumei Center	Total amount of prepaid tax
Land appreciation tax	109,576,320.66	-	109,576,320.66
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	109,816,334.21	1,254,502.83	111,070,837.04

#### 41. Other payables

##### Presentation of items

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Other payables	1,775,772,737.40	1,646,345,561.62
Total	1,775,772,737.40	1,646,345,561.62

Other notes:

None

##### 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	462,279,739.52	584,880,967.08
Operating expenses payable	329,981,321.58	234,420,448.09
Bank reserve of Zhejiang Yiwugou E-commerce Co., Ltd.	24,273,488.75	23,223,609.46
Restricted stock incentive plan	137,298,000.00	137,298,000.00
Pending investment	816,095,590.89	666,512,070.29



refunds		
Others	5,844,596.66	10,466.70
Total	1,775,772,737.40	1,646,345,561.62

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

Applicable Not applicable

Other notes:

Applicable Not applicable

Since other payables mainly come from the deposits of market shops and the bidding deposits of engineering projects, with small individual amounts, on June 30, 2021, there were no important other payables with an aging of more than 1 year.

**42. Held-for-sale liabilities**

Applicable Not applicable

**43. Non-current liabilities due within one year**

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Long-term borrowings within one year	190,790,333.31	300,634,822.21
Bonds payable due within 1 year	1,841,058,896.51	1,014,391,752.22
Total	2,031,849,229.82	1,315,026,574.43

Other notes:

None

**44. Other current liabilities**

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Short-term bonds payable	3,019,926,484.02	3,004,009,789.85
To-be-reported output tax	37,554,993.81	15,466,581.46
Dividend announced but not collected before listing	2,083,112.65	2,083,112.65
Dividend payable to to-be-recognized accounts	2,220,922.02	2,048,557.72
Total	3,061,785,512.50	3,023,608,041.68

Changes in short-term bonds payable:

Applicable Not applicable

Unit: RMB

Bond Name	Face value	Issuing Date	Bond Term	Issuing Amount	Opening amount Balance	Current period Issuing	Interest accrued at face value	Premium and discount amortization	Current period Repayment	Closing amount Balance
Super-short-term commercial paper	100	November 27, 2020	90 days	1,000,000,000	1,002,227,312.68		3,937,070.88		1,006,164,383.56	

Super-short-term commercial paper	100	December 9, 2020	90 days	1,000,000,000	1,000,238,641.55		5,802,454.34		1,006,041,095.89	
Super-short-term commercial paper	100	December 25, 2020	28 days	1,000,000,000	1,001,543,835.62		527,397.26		1,002,071,232.88	
Super-short-term commercial paper	100	Jan 18, 2021	88 days	1,000,000,000		1,000,000,000	7,965,068.49		1,007,715,068.49	
Super-short-term commercial paper	100	Feb 23, 2021	182 days	1,000,000,000		1,000,000,000	11,424,657.53	350,684.93		1,011,775,342.46
Super-short-term commercial paper	100	Mar 8, 2021	88 days	1,000,000,000		1,000,000,000	7,449,863.01		1,007,449,863.01	
Super-short-term commercial paper	100	Apr 14, 2021	90 days	1,000,000,000		1,000,000,000	6,011,369.86	216,666.67		1,006,228,036.53
Super-short-term commercial paper	100	Jun 2, 2021	149 days	1,000,000,000		1,000,000,000	1,842,549.47	80,555.56		1,001,923,105.03
Total	/	/	/	8,000,000,000	3,004,009,789.85	5,000,000,000	44,960,430.84	647,907.16	5,029,441,643.83	3,019,926,484.02

Other notes:

Applicable Not applicable

As of June 30, 2021, the annual interest rate of the above-mentioned short-term financing bonds was 2.84%-3.40% (December 31, 2020: 2.45%-2.70%).

#### 45. Long-term loans

##### (1). Classification of long-term borrowings

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Credit loans	604,000,000.00	282,000,000.00
Total	604,000,000.00	282,000,000.00

Notes on the classification of long-term borrowings:

None

Other notes, including the interest rate range:

Applicable Not applicable

On June 30, 2021, the annual interest rate of the above borrowing was 2.70%-3.92% (December 31, 2020: 2.70%-3.92%). For the guarantees for the borrowings (reclassified to Non-current liabilities due within one year according to liquidity), please refer to Notes 12-5-(4) Related-Party Guarantees

#### 46. Bonds payable

##### (1). Bonds payable

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
MTN	2,064,727,206.49	2,024,870,915.16
Bonds payable	721,349,232.88	1,527,290,794.52
Total	2,786,076,439.37	3,552,161,709.68

**(2). Change in bonds payable (excluding other financial instruments classified as financial liabilities, such as preferred shares and perpetual bonds)**√Applicable Not applicable

Unit: RMB

Bond Name	Face value	Issuing Date	Bond Term	Issuing Amount	Opening amount Balance	Current period Issuing	Interest accrued at face value	Premium and discount amortization	Current period Repayment	Closing amount Balance
Medium-term notes (Note 1)	100	September 6, 2019	3 years	1,000,000,000	-	-	23,554,794.52	661,938.82	-	-
MTN	100	July 15, 2019	3 years	1,000,000,000	1,017,879,350.82	-	19,786,027.39	187,031.09	-	1,037,852,409.30
MTN	100	October 21, 2019	3 years	1,000,000,000	1,006,991,564.34	-	19,686,849.32	196,383.53	-	1,026,874,797.19
Corporate bonds (Note 2)	100	June 5, 2019	3 years	800,000,000	819,791,780.82	-	17,058,630.14	-	34,400,000.00	-
Corporate bonds	100	September 25, 2019	3 years	700,000,000	707,499,013.70	-	13,850,219.18	-	-	721,349,232.88
Total	/	/	/	4,500,000,000	3,552,161,709.68	-	93,936,520.55	1,045,353.44	34,400,000.00	2,786,076,439.37

Note 1: The Company issued 2018 MTN (Issue 1) of RMB 1 billion in September 2018, with an annual interest rate of 4.75% and maturity date of September 6, 2021, that has been reclassified according to liquidity to non-current liabilities due within one year in current reporting period.

Note 2: The Company issued 2019 corporate bond (Issue 1) of RMB 800 million in June 2019, with an annual interest rate of 4.30% and maturity date of June 5, 2022, that has been reclassified according to liquidity to non-current liabilities due within one year in current reporting period.

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

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

Applicable Not applicable

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

Applicable Not applicable

Basis for other financial instruments being classified as financial liabilities

Applicable Not applicable

Other notes:

Applicable Not applicable**47. Lease liabilities**√Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Long term lease liabilities	175,878,039.33	172,687,272.95
Total	175,878,039.33	172,687,272.95

Other notes:

Note: The Group uses the incremental borrowing rate of 3.67% when it is a lessee as the book value of the discount rate to determine the lease liability and measure the sue right assets.

#### 48. Long-term payables

##### Presentation of items

Applicable Not applicable

##### Long-term payables

Applicable Not applicable

##### Special payables

Applicable Not applicable

#### 49. Long-term employee compensation 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 Jun 30, 2020, the matter was still pending.

#### 51. Deferred incomes

Overview of deferred income

Applicable Not applicable

Unit: RMB-yuan Currency; RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Cause of formation
Asset-related government grants	26,545,277.30	-	710,736.84	25,834,540.46	
Total	26,545,277.30	-	710,736.84	25,834,540.46	/

Items involving government grants:

Applicable Not applicable

Unit: RMB

Liability item	Opening balance	Increase in grant amount in the current period	Amount included in non-operating income in the current period	Amount recognized in other income in the current period	Other changes	Closing balance	Asset-related or income-related
Subsidy for service industry cluster project	5,510,112.59	-	-	133,333.32	-	5,376,779.27	Asset-related
Interest subsidy for the international exhibition center construction fund	21,035,164.71	-	-	577,403.52	-	20,457,761.19	Asset-related

Other notes:

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

Unit: RMB

	Opening balance	Increase or decrease in the current period (+, -)					Closing balance
		Issuing new shares	Bonus shares	Provident funds converted into shares	Others	Subtotal	
Total number of shares	5,489,914,176.00	-	-	-	-	-	5,489,914,176.00

Other notes:

None

**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 reserves**

Applicable Not applicable

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Capital surplus (share premium)	1,558,612,797.11	-	-	1,558,612,797.11
Other capital reserve	36,293,727.56	17,010,813.12	-	53,304,540.68
Total	1,594,906,524.67	17,010,813.12	-	1,611,917,337.79

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

The increase in capital reserve-other capital reserve during the reporting period was due to the Company's recognition on the share payment fee for RMB 17,010,813.12 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 stock incentive plan	137,298,000.00	-	-	137,298,000.00
Total	137,298,000.00	-	-	137,298,000.00

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

On December 11, 2020, the Group implemented a restricted stock incentive plan, granting 47,920,000 restricted stocks to incentive objects. On December 29, 2020, the Group received RMB 137,298,000.00 for the restricted stock subscription from the incentive objects. The number of shares subscribed was 46,700,000, which has been verified by Ernst & Young Huaming Certified Public Accountants (Special General Partnership) with a capital verification report ((2020) Y Z No. 60709629\_B01).

**57. Other comprehensive income**

√Applicable □Not applicable

Unit: RMB

Item	Opening amount Balance	Amount in the current period			Closing amount Balance
		Amount before tax incurred in the current period	Less: income taxes	Amount after tax attributable to parent company	
I. Other comprehensive income that cannot be reclassified into profit or loss	81,473,183.84	-74,002,129.21	-18,500,532.30	-55,501,596.91	25,971,586.93
Change in fair value of other equity instruments investment	81,473,183.84	-74,002,129.21	-18,500,532.30	-55,501,596.91	25,971,586.93
II. Other comprehensive income to be reclassified into profit or loss	-3,323,522.51	-1,651,738.37	-	-1,651,738.37	-4,975,260.88
Translation reserve	-3,323,522.51	-1,651,738.37	-	-1,651,738.37	-4,975,260.88
Total other comprehensive income	78,149,661.33	-75,653,867.58	-18,500,532.30	-57,153,335.28	20,996,326.05

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

None

**58. Special reserves**

□Applicable √Not applicable

**59. Surplus reserve**

√Applicable □Not applicable

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Statutory surplus reserve	1,312,373,111.99	-	-	1,312,373,111.99
Discretionary surplus reserve	40,195,855.68	-	-	40,195,855.68
Others	11,688,840.91	-	-	11,688,840.91
Total	1,364,257,808.58	-	-	1,364,257,808.58

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

According to the “Company Law” and the Company’s articles of association, the Company accrued a statutory surplus reserve in terms of 10% of its net profit. If the amount of statutory surplus reserve accrued reaches more than 50% of the Company’s registered capital, the accrual may cease.

The Company can accrue free surplus reserve after accruing the statutory surplus reserve. With the approval, the free surplus reserve can be used to make up for previous losses or to increase share capital.

#### 60. Retained earnings

Applicable Not applicable

Unit: RMB

Item	Current period	Previous year
Undistributed profits at the end of the previous reporting period before adjustment	5,168,298,206.50	4,750,787,389.17
Opening undistributed profits after adjustment	5,168,298,206.50	4,750,787,389.17
Plus: net profits attributable to shareholders of the parent company in the current period	850,514,460.93	926,626,706.42
Less: withdrawal of statutory surplus reserve	-	128,090,896.77
Common share dividend payable	301,945,279.68	381,024,992.32
Closing undistributed profits	5,716,867,387.75	5,168,298,206.50

Details of the adjustment of opening undistributed profits:

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

#### 61. Revenue and cost of sales

##### (1). Overview of revenue and cost of sales

Applicable Not applicable

Unit: RMB

Item	Amount in the current period		Amount in the previous period	
	Incomes	Costs	Incomes	Costs
Main business	1,877,033,846.97	863,801,815.15	1,720,825,843.49	855,681,051.35
Other businesses	195,593,880.03	61,608,810.26	400,622,950.82	13,546,505.12
Total	2,072,627,727.00	925,410,625.41	2,121,448,794.31	869,227,556.47

##### (2). Revenue generated from contracts

Applicable Not applicable

Unit: RMB

Classified by type of contract	Total



Types of goods	
Sales of goods	347,274,324.50
The use of commercial spaces in the Commodity City and its supporting services	1,368,907,990.72
Hotel accommodation and catering services	62,730,512.18
Royalty income	47,497,796.29
Other services	149,139,123.42
Classified by business area	
China mainland	1,975,549,747.11
Classified by contract period	
Revenue confirmed at certain time point	
Sales of goods	347,274,324.50
Hotel catering services	42,497,500.87
Other services	128,086,929.69
Revenue confirmed during certain time period	
The use of commercial spaces in the Commodity City and its supporting services	1,368,907,990.72
Hotel accommodation service	20,233,011.31
Royalty income	47,497,796.29
Other services	21,052,193.73
Total	1,975,549,747.11

Description of the income from contracts:

The income recognized in the current year and included in the opening book value of contractual liabilities is as follows:

Unit: RMB

Type of contract	Current period
Sales of goods	73,909,708.08
The use of commercial spaces in the Commodity City and its supporting services	1,355,717,243.98
Hotel accommodation service	9,242,614.59
Other services	9,059,873.51
Total	1,447,929,440.16

### (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 commercial spaces in the Commodity City and its supporting services**

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

in advance before the use of commercial spaces in the Commodity City and the supporting services for business are provided.

#### **Hotel accommodation business**

The performance obligation is fulfilled when providing hotel accommodation services. For the hotel accommodation business, the progress of contractual performance is determined based on the number of days of stay. For hotel accommodation services, a partial deposit is collected from the customer first, and the remaining contract price is usually collected upon the completion of the hotel accommodation services.

#### **Hotel catering business**

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

#### **Fixed -time paid funding services**

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

#### **(4). Amortization to remaining contract performance obligations**

Applicable Not applicable

At the end of the reporting period, the amount of income corresponding to the performance obligations that have been signed but not yet performed or not yet completed was RMB 2,525,598,728.31, of which:

RMB 2,525,598,728.31 is expected to be recognized as an income in 2026

Other notes:

None

#### **62. Taxes and surcharges**

Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Business tax	200,048.93	14,045,794.11
Urban maintenance and construction tax	3,687,622.46	2,314,536.16
Education surcharge	1,581,474.20	991,721.15
Property tax	55,296,306.71	51,999,617.07
land holding tax	5,387,595.00	4,196,070.42
Vehicle and vessel use tax	-	32.90
Stamp duty	1,421,427.19	2,006,907.56
Land appreciation tax	9,038.82	5,552,018.39
Local education surcharge	1,054,316.04	661,966.73
Cultural undertaking	-240.00	-

development fee		
Total	68,637,589.35	81,768,664.49

Other notes:

None

### 63. Selling expenses

Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Advertising fees	19,829,104.82	37,445,306.55
Marketing expenses	39,083,745.14	38,347,950.83
Security and insurance expenses	11,869,661.68	8,872,959.16
Depreciation and amortization	356,584.59	93,888.35
Water, electricity and fuel expenses	1,946,862.81	2,647,286.40
Others	956,971.99	479,680.57
Total	74,042,931.03	87,887,071.86

Other notes:

None

### 64. General and administrative expenses

Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Employee and uniform expenses	130,142,013.05	98,049,547.02
Depreciation and amortization	20,578,214.86	10,598,352.97
Intermediary expenses	4,610,462.83	7,983,319.28
Travel expenses	2,715,004.31	1,992,980.09
Office expenses	6,488,902.87	6,236,038.03
Promotion and merchants introduction expenses	159,870.08	496,350.00
Lease and property management expenses	1,651,675.14	556,659.50
Others	352,743.44	4,537,677.74
Total	166,698,886.58	130,450,924.63

Other notes:

None

### 65. R&D expenses

Applicable Not applicable

Unit: RMB

Item	Amount in the current	Amount in the
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	period	previous period
Employee expenses	2,702,889.51	3,834,282.80
Depreciation and amortization	62,670.46	284,072.04
Technology R&D expenses	516,473.30	12,962,871.10
Others	1,287,105.17	-
Total	4,569,138.44	17,081,225.94

Other notes:

None

#### 66. Financial expenses

Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Interest	173,963,591.17	234,936,097.83
Amortization of commercial paper discount	2,406,651.36	2,673,477.84
Interest income	-117,153,799.20	-132,172,237.44
Capitalized interest	-17,496,623.81	-15,494,362.77
Foreign exchange gains or losses	1,986,636.12	-393,092.75
Others	3,644,550.43	1,722,025.63
Total	47,351,006.07	91,271,908.34

Other notes:

The capitalized amount of borrowing costs has been included in the construction in progress.

#### 67. Other incomes

Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Government subsidy for service industry cluster for 2011	133,333.32	133,333.32
Interest subsidy for the international exhibition center construction fund	577,403.52	577,403.52
Award for provincial service industry cluster	-	550,000.00
Grant for the construction and operation of the credit data center	-	1,500,000.00
R&D investment award from Science and Technology Bureau for 2018	-	978,100.00
High-tech awards from Science and Technology Bureau for 2019	-	600,000.00
Subsidy for 2020 Online Hardware Fair Exhibition	-	600,000.00
Tourism development special award from Culture and Tourism Bureau	-	50,000.00

Grant for civilized units from Civilization Construction Office	-	3,000.00
Additional deduction of input tax	2,845,835.35	2,634,909.22
Education surcharges refunded by the tax bureau	148.65	9.78
Refund of the service charges of individual income tax	368,142.02	144,060.64
Refund of social security contribution	-	5,899,392.92
Employment stabilization subsidy	23,190.40	-
VAT reduction for the recruitment of retired soldiers finding jobs on their own	86,065.86	-
Electricity charge award for production resumption	-	14,214.66
Subsidy for pilot counties in service industry for 2020	500,000.00	-
Subsidy for six small industries in the Spring Festival	300,000.00	-
Subsidy for Demonstrative Units of "eliminating pornography and illegal publications" from Jinhua Municipal Financial Treasury	10,000.00	-
Deduction for cultural undertaking development fee	90,780.00	-
Additional deduction of R&D input award from Yiwu Municipal Science and Technology Bureau	131,520.00	-
Opening-up Promotion Reward from Yiwu Bureau of Commerce for 2020	960,743.00	-
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	-
Total	9,046,028.12	13,684,424.06

Other notes:

None

#### 68. Investment income

Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Long-term equity investment income under the equity method	263,788,954.78	13,185,907.49
Investment income from held-for-trading financial assets during holding period	-	20,500,000.00
Interest income from debt investment during holding period	-	8,196,820.88

Investment income from disposal of held-for-trading financial assets	42,837.72	169,594.15
Investment income from disposal of subsidiaries and related claims	-	76,523,765.30
Investment income from disposal of wealth management products	-	574,553.43
Total	263,831,792.50	119,150,641.25

Other notes:

None

**69. Income from net exposure hedging**

Applicable Not applicable

**70. Income from changes in fair value**

Applicable Not applicable

Unit: RMB

Sources of income from changes in fair value	Amount in the current period	Amount in the previous period
Held-for-trading financial assets	-2,640,099.60	-
Other non-current financial assets	3,768,691.70	20,193,509.58
Total	1,128,592.10	20,193,509.58

Other notes:

None

**71. Loss of impairment of credit**

Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Bad debt loss of accounts receivable	-13,408.94	-2,379,335.67
Loss for bad debts of other receivables	-415,865.94	-
Total	-429,274.88	-2,379,335.67

Other notes:

None

**72. Loss for asset impairment**

Applicable Not applicable

**73. Income from asset disposal**√Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Income from disposal of property, plant and equipment	101,911.42	1,095,496.24
Total	101,911.42	1,095,496.24

Other notes:

Applicable Not applicable**74. Non-operating income**√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	1,200.00	-	1,200.00
Incomes from liquidated damages	1,258,664.54	415,800.00	1,258,664.54
Others	85,788.32	337,775.18	85,788.32
Total	1,345,652.86	753,575.18	1,345,652.86

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

√Applicable Not applicable

Unit: RMB

Grant items	Amount in the current period	Previous amount	Asset-related or income-related
Subsidy for enterprise monitoring from Choucheng Subdistrict	1,200.00	-	Income-related
Total	1,200.00	-	

Other notes:

Applicable Not applicable**75. Non-operating expenses**√Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period	Amount recognized in
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			profit or loss of nonrecurring items for the current period
Total loss for disposal of non-current assets	791,449.35	-	791,449.35
Including: loss for disposal of property, plant and equipment	791,449.35	-	791,449.35
External donation	200,000.00	2,731,413.91	200,000.00
Water conservancy construction fund	6.76	249,451.94	6.76
Others	129,638.33	250,031.27	129,638.33
Total	1,121,094.44	3,230,897.12	1,121,094.44

Other notes:

None

## 76. Income taxes

### (1) Overview of income tax expenses

Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Current income taxes	198,094,571.17	260,211,241.65
Deferred income tax expenses	14,482,195.47	12,775,944.42
Total	212,576,766.64	272,987,186.07

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

Applicable Not applicable

Unit: RMB

Item	Amount in the current period
Profits before tax	1,059,821,157.80
Income tax expenses calculated at the statutory/applicable tax rate	264,955,289.45
Impact of different tax rates applied by subsidiaries	606,716.47
Effect of adjusting income tax of previous period	-18,765,823.73
Effect of non-taxable income	1,034,697.67
Effect of non-deductible costs, expenses and losses	203,633.97
Effect of using deductible losses of unrecognized deferred income tax assets in previous period	3,984,558.93



Effect of deductible temporary differences or deductible losses of unrecognized deferred income tax assets in the current period	26,504,932.58
Profits or losses attributable to joint ventures and associates	-65,947,238.70
Income taxes	212,576,766.64

Other notes:

Applicable Not applicable

#### 77. Other comprehensive income

Applicable Not applicable

Please refer to Notes 57 Other Comprehensive Income for details

#### 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	117,153,799.20	120,684,004.99
Government grants received	4,925,477.20	10,859,472.56
Deposit and margin received	60,501,618.69	10,660,056.61
Bank reserve received	876,213.71	-
Others	2,324,227.91	-
Total	185,781,336.71	142,203,534.16

Notes on other cash receipts relating to operating activities:

None

##### (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	55,168,466.81	125,625,663.45
Fees paid	117,283,494.99	111,864,579.58
Bank reserve paid to Zhejiang Yiwugou E-commerce Co., Ltd.	-	-3,157,824.29
Collection of property ownership certificate fees paid	-	1,335,791.74
Cash paid to purchase time deposits	-	496,500,000.00
Others	2,539,651.72	18,942,646.95

Total	174,991,613.52	751,110,857.43
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Notes on other cash payments relating to operating activities:

None

**(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	1,326,599,831.00	192,154,897.34
Total	1,326,599,831.00	192,154,897.34

Notes on other cash receipts relating to investing activities:

None

**(4). Other cash payments relating to investing activities**

Applicable Not applicable

Unit: RMB

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

Other cash paid related to investment activities:

None

**(5). Other cash receipts relating to financing activities**

Applicable Not applicable

**(6). Other cash payments relating to financing activities**

Applicable Not applicable

**79. Supplements to cash flow statement**

**(1) Supplements to cash flow statement**

Applicable Not applicable

Unit: RMB

Supplementary information	Amount in the current period	Amount in the previous period
<b>1 · Adjust net profits to cash flow from operating activities:</b>		
Net profit	847,244,391.16	720,041,670.03
Add: Provision for asset impairment	-	-
Loss of impairment of credit	429,274.88	2,379,335.67

Depreciation of property, plant and equipment, depletion of oil and gas assets, and depreciation of productive biological assets	196,630,117.97	232,464,508.86
Amortization of right-of-use assets	6,032,905.14	-
Amortization of intangible assets	69,599,955.30	65,522,814.07
Amortization of long-term deferred expenses	26,371,441.78	33,684,186.50
Loss on disposal of property, plant and equipment, intangible assets and other long-term assets (gain presented with "-")	-101,911.42	-1,095,407.99
Loss from scrapping of property, plant and equipment (gain presented with "-")	791,449.35	-88.25
Loss from changes in fair value (gain presented with "-")	-1,128,592.10	-20,193,509.58
Financial expense (gain presented with "-")	177,154,357.55	15,494,362.77
Investment loss (gain presented with "-")	-263,831,792.50	-311,305,538.59
Decrease in deferred income tax assets (increase presented with "-")	13,751,307.49	-22,701,798.39
Increase in deferred income tax liabilities (decrease presented with "-")	-17,769,644.32	1,084,796.43
Decrease in inventory (increase presented with "-")	-67,724,859.66	-239,207,823.16
Decrease in operating receivables (increase presented with "-")	-1,120,122,291.93	-879,633,090.02
Increase in operating payables (decrease presented with "-")	299,409,716.06	-299,601,118.51
Others		
Net cash flow from operating activities	166,735,824.75	-703,066,700.16
<b>2 · Significant investing and financing activities not involving cash receipt and payment:</b>		
<b>3 · Net changes in cash and cash equivalents:</b>		
Closing balance of cash	1,959,635,386.45	3,470,682,166.57
Less: opening balance of cash	2,032,642,871.63	3,426,712,549.26
Add: closing balance of cash equivalents		
Less: opening balance of cash equivalents		
Net increase in cash and cash equivalents	-73,007,485.18	43,969,617.31

**(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	1,959,635,386.45	2,032,642,871.63
Including: cash on hand	203,319.92	292,999.29
Bank deposit that can be used for payment at any time	1,959,405,717.31	2,032,189,759.31
Other monetary capital that can be used for payment at any time	26,349.22	160,113.03
II. Cash equivalents		
III. Closing balance of cash and cash equivalents	1,959,635,386.45	2,032,642,871.63
Including: cash and cash equivalents with restricted use by the parent company or its subsidiaries	60.68	60.58

Other notes:

Applicable Not applicable

Monetary capital with a deposit period of more than three months

Unit: RMB

Item	Closing balance	Opening balance
Negotiated deposits	1,060,000,000.00	3,580,000,000.00

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

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

Applicable Not applicable

**81. Assets with restricted title or right of use**

Applicable Not applicable

Unit: RMB

Item	Closing book value	Reason for restriction
Monetary capital	60.68	
Long-term equity investment	102,918,559.00	
Other non-current assets	617,511,352.00	
Total	720,429,971.68	/

Other notes:

Note 1. On June 30, 2021, bank deposits with a book value of RMB 60.68 (December 31, 2020: RMB 60.58) were restricted for ownership or use rights due to being as security deposits for obtaining commercial housing mortgage loan.

Note 2: As of June 30, 2021, long-term equity investments with a book value of RMB 102,918,559.00 (December 31, 2020: RMB 102,918,559.00) and other non-current assets of RMB 617,511,352.00 (December 31, 2020: RMB 617,511,352.00) were frozen by Shanghai Municipal Public Security Bureau. See Note XIV.1 Important commitments for details.

## 82. Foreign currency monetary items

(1). Foreign currency monetary items

Applicable Not applicable

			Unit: RMB Yuan
Item	Closing balance in foreign currency	Exchange rate	Closing balance converted into RMB
Monetary capital	-	-	
In which: USD	3,234,568.66	6.4601	20,895,637.00
EURO	42,563.62	7.6829	327,012.04
Dirham	293,088.41	1.7587	515,454.59
Koruna	18,707,573.41	0.3010	5,631,418.85
Accounts Receivable	-	-	
In which: USD	3,116,422.25	6.4601	20,132,399.38
Koruna	7,989,665.21	0.3010	2,405,076.82
Other receivables	-	-	
In which: USD	59,503.15	6.4601	384,396.29
EURO	3,147.80	7.6829	24,184.23
Koruna	37,171,848.63	0.3010	11,189,599.23
Accounts payable	-	-	
In which: USD	150,013.56	6.4601	969,102.60
Koruna	7,480.00	0.3010	2,251.66
Other payables	-	-	
In which: USD	1,213,426.02	6.4601	7,838,853.43
EURO	18,698.84	7.6829	143,661.32
Koruna	66,173,444.90	0.3010	19,919,760.66

Other notes:

None

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

Applicable Not applicable

## 83. Hedging

Applicable Not applicable

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

√Applicable □Not applicable

Unit: RMB

Category	Amount	Presentation	Amount recognized in profit or loss for the current period
Subsidy for enterprise monitoring from Choucheng Subdistrict	1,200.00	Non-operating income	1,200.00
Government subsidy for service industry cluster for 2011	133,333.32	Other incomes	133,333.32
Interest subsidy for the international exhibition center construction fund	577,403.52	Other incomes	577,403.52
Additional deduction of input tax	2,845,835.35	Other incomes	2,845,835.35
Education surcharges refunded by the tax bureau	148.65	Other incomes	148.65
Employment stabilization subsidy	23,190.40	Other incomes	23,190.40
VAT reduction for the recruitment of retired soldiers finding jobs on their own	86,065.86	Other incomes	86,065.86
Subsidy for pilot counties in service industry for 2020	500,000.00	Other incomes	500,000.00
Subsidy for six small industries in the Spring Festival	300,000.00	Other incomes	300,000.00
Subsidy for Demonstrative Units of "eliminating pornography and illegal publications" from Jinhua Municipal Financial Treasury	10,000.00	Other incomes	10,000.00
Deduction for cultural undertaking development fee	90,780.00	Other incomes	90,780.00
Additional deduction of R&D input award from Yiwu Municipal Science and Technology Bureau	131,520.00	Other incomes	131,520.00
Opening-up Promotion Reward from Yiwu Bureau of Commerce for 2020	960,743.00	Other incomes	960,743.00
Special Incentive Fund for Modern Supply Chain System Innovation from Yiwu Bureau of Commerce for 2020	2,682,704.00	Other incomes	2,682,704.00
Award for general trading enterprises from Yiwu Municipal Bureau of Commerce	336,162.00	Other incomes	336,162.00
<b>Total</b>	<b>8,679,086.10</b>		<b>8,679,086.10</b>

**2. Refund of government grants**

Applicable Not applicable

Other descriptions

None

**85. Others**

Applicable Not applicable

**VIII. Changes in consolidation scope**

**1、 Business merger not under common control**

Applicable Not applicable

**2、 Business merger 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

**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	Principal business place	Registering place	Nature of business	Shareholding ratio (%)		Acquisition Method
				Direct	Indirect	
Yiwu China Commodities City Logistics and Warehousing Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Service	100		Establishment
Yiwu Commodities City Gonglian Property Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Real estate	100		Establishment
Yiwu China Commodities City Exhibition Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Service	100		Establishment
Yiwu China Commodities City Advertising Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Advertising	100		Establishment
Yiwu China Commodities City Information Technology Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	IT	100		Establishment
Yiwu China Commodity City RMB and Foreign Currency Exchange Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Service		100	Establishment
Hangzhou Shangbo Nanxing Property Co., Ltd.	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Real estate	100		Establishment
Yiwu China Commodities City Payment Network Technology Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	IT		100	Establishment
Yiwu China Commodities City Credit Investigation Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Service		85	Establishment
Haicheng Yiwu China Commodities City Investment Development Co., Ltd.	Haicheng, Liaoning	Haicheng, Liaoning	Real estate	95		Establishment
Zhejiang Yiwugou E-commerce Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	E-commerce		51	Establishment
Yiwu Shangbo Property Co., Ltd.	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Real estate	100		Establishment
Yiwu China Commodities City Import and Export Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Wholesale	100		Establishment
Yiwu China Commodities City Supply Chain Management Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Service	100		Establishment
Yiwu China Commodities City Tourism Development Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Lease and business service	100		Establishment
Yiwu China Commodities City Financial Holdings Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Service	100		Establishment
Yiwu China Commodity City (Germany) Co., Ltd.	Frankfurt, Germany	Frankfurt, Germany	Service		100	Establishment
Yiwu International Trade Comprehensive Service Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Wholesale		60	Establishment
Yiwu Aiximao Supply Chain Management Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Service		100	Establishment
Yiwu China Commodities City (Hong Kong) International Trade Co., Ltd.	Hong Kong, China	Hong Kong, China	Wholesale		100	Establishment
Ningxia Yiwu China Commodity City Supply Chain Management Co., Ltd.	Shizuishan, Ningxia	Shizuishan, Ningxia	Service		100	Establishment
Yiwu China Commodities City Overseas Investment and Development Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Wholesale	100		Establishment
Yiwu China Commodities City Commerce and Trade Service Training Center Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Education	100		Establishment
Yiwu China Commodities City Assets Operation and Management Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Lease and business service	100		Establishment
Zhejiang Yindu Hotel Management Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Lease and business service	100		Establishment

Hong Kong Better Silk Road Co., Ltd.	Hong Kong, China	Hong Kong, China	Service		100	Establishment
BETTER SILK ROAD FZE	Dubai, UAE	Dubai, UAE	Service		100	Establishment
BETTER SILK ROAD RWANDA Ltd	Kigali, Rwanda	Kigali, Rwanda	Service		100	Establishment
Yiwu China Commodities City Research Institute Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Business service	100		Establishment
Yiwu Comprehensive Bonded Zone Operation and Management Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Business service	100		Establishment
Yiwu China Commodities City Big Data Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Software and Information Technology Service Industry	100		Establishment
Yiwu Global Yida Logistics Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Multimodal transport and transportation agency		60	Establishment
Yiwu China Commodities City Internet Financial Information Service Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Service		100	Incorporation+acquisition
Zhejiang Huajie Investment and Development Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Commercial services	96.4		Incorporation+acquisition
European Huajie Investment Development Co., Ltd.	Prague, Czech Republic	Prague, Czech Republic	Commercial services		96.4	Incorporation+acquisition

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

None

Basis for holding half or less voting rights in but still controlling an investee, and holding more than half of the voting rights in but not controlling an investee:

None

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

None

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

None

Other notes:

None

## (2). Important non-wholly-owned subsidiaries

Applicable Not applicable

Unit: RMB

Subsidiary	Shareholding ratio of minority shareholders Proportion (%)	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	1,974,877.84		43,560,953.39

Haicheng Company	5	-3,564,192.03		-39,248,251.46
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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

Subsidiary	Closing balance					Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Total Liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total Liabilities
Zhejiang Yiwugou E-commerce Co., Ltd.	10,456.98	1,092.39	11,549.37	2,659.38	2,659.38	10,131.63	1,035.94	11,167.57	2,680.61	-	2,680.61
Haicheng Company	141,955.48	87,968.51	229,923.99	308,420.50	308,420.50	124,510.56	105,804.70	230,315.26	301,683.12	0.26	301,683.38

Subsidiary	Amount in the current period				Amount in the previous period			
	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities	Operating income	Net profit	Total comprehensive income	Cash flow from operating activities
Zhejiang Yiwugou E-commerce Co., Ltd.	2,289.66	403.04	403.04	-1,005.35	2,329.05	735.05	735.05	617.67
Haicheng Company	591.49	-7,128.38	-7,128.38	4,098.84	170.49	-7,510.97	-7,510.97	456.24

Other notes:

None

**(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	Principal business place	Registering place	Nature of 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
Associate						
Hangzhou Binjiang Shangbo Property Development Co., Ltd.	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Real estate	49		Equity method
Yiwu Huishang Redbud Equity Investment Co., Ltd.(注 1)	Yiwu, Zhejiang	Yiwu, Zhejiang	Commercial services		10.42	Equity method
Zhejiang Chouzhou Financial Lease Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Service	26		Equity method
Yiwu Huishang Redbud Phase II Investment Partnership (LLP) (Note 2)	Yiwu, Zhejiang	Yiwu, Zhejiang	Lease and business service	9.43		Equity method
Yiwu Hongyi Equity Investment Fund Partnership	Yiwu, Zhejiang	Yiwu, Zhejiang	Service		49.98	Equity method
Pujiang Lvgu Property Co., Ltd.	Pujiang, Zhejiang	Pujiang, Zhejiang	Real estate	49		Equity method
Yiwu China Commodities City Property Development Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Real estate	49		Equity method

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

None

Bases for holding less than 20% of the voting rights but having significant influence, or holding 20% or more of the voting rights but not having significant influence:

1. The Company holds 10.42% (2020: 10.42%) of equity of Yiwu Huishang Redbud Equity Investment Co., Ltd. (hereinafter referred to as "Redbud Equity Investment"), but regards it as an associated enterprise 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.

2. The Company holds 9.43% (9.43% in 2020) equity in Yiwu Huishang Redbud Phase II Investment Partnership (limited partnership) ("Redbud Phase II"), but takes the latter as its associate. According to Redbud Phase II's articles of association, it is engaged in investing and its important financial and operating decision-making activities are to pick and manage investment projects, which have been fully entrusted to the Company's joint venture Redbud Capital. Redbud Capital picks and manages investment projects via its investment decision-making committee. Except for special investment matters, which are subject to the resolution of Redbud Phase II's board of directors, other important financial and operating decision-making activities are conducted by Redbud Capital on the behalf of Redbud Phase II. Therefore, the Company can exert significant influence on Redbud Phase II in which it holds 9.43% equity.

## (2). Main financial information of important joint ventures

√Applicable □Not applicable

Unit: RMB

	Closing balance/amount in the current period	Opening balance/amount in the previous period
	Yiwu Shanglv	Yiwu Shanglv
Current assets	160,212,991.84	187,602,175.56
In which: cash and cash equivalents	22,573,321.54	24,893,904.53
Non-current assets	1,351,304,281.55	1,369,948,370.68
Total assets	1,511,517,273.39	1,557,550,546.24
Current liabilities	348,992,582.10	420,643,904.92
Non-current liabilities	356,957,211.08	356,957,211.08
Total Liabilities	705,949,793.18	777,601,116.00
Shareholders' equity attributable to parent company	805,567,480.21	779,949,430.24
Share of net assets calculated based shareholding ratio	394,728,065.32	382,175,220.82
Adjustments	-16,108,176.86	-16,344,463.91

--unrealized profits of internal transactions	-16,108,176.86	-16,344,463.91
Book value of equity investment in joint ventures	378,619,888.46	365,830,756.91
Operating income	119,151,345.93	86,301,394.39
Financial expenses	13,130,464.22	15,128,184.57
Net profit	25,618,049.97	2,397,343.82
Total comprehensive income	25,618,049.97	2,397,343.82

Other descriptions  
None

### (3). Main financial information of important associates

√Applicable □Not applicable

Unit: RMB10,000

	Closing balance/amount in the current period					Opening balance/amount in the previous period				
	Binjiang Shangbo	Chouzhou Financial Lease	Hongyi Fund	CCCP	Pujiang Lvgu	Binjiang Shangbo	Chouzhou Financial Lease	Hongyi Fund	CCCP	Pujiang Lvgu
Current assets	20,006.38	1,265,303.68	5,183.52	1,192,625.24	109,945.07	44,924.53	1,202,046.20	18,713.03	755,070.00	169,861.52
Non-current assets	-	8,326.54	133,530.80	40,526.33	1,593.35	104.99	2,883.99	119,447.65	40,293.49	1,300.60
Total assets	20,006.38	1,273,630.22	138,714.32	1,233,151.57	111,538.42	45,029.52	1,204,930.19	138,160.68	795,363.49	171,162.12
Current liabilities	2,650.84	843,554.97	34.24	659,240.33	11,960.43	12,787.62	941,372.19	140.31	467,243.03	88,160.96
Non-current liabilities	-	275,978.70	-	-	76.76	-	124,684.14	-	20,902.58	7,441.37
Total Liabilities	2,650.84	1,119,533.67	34.24	659,240.33	12,037.19	12,787.62	1,066,056.33	140.31	488,145.61	95,602.33
Shareholders' equity attributable to parent company	17,355.54	154,096.55	138,680.08	572,748.64	99,501.23	32,241.90	138,873.86	138,020.37	307,217.88	75,559.79
Share of net assets calculated based on shareholding ratio	8,504.21	40,065.10	69,305.39	280,646.83	48,755.60	15,798.53	36,107.20	68,975.68	150,536.76	37,024.30
Adjustments	-811.70	12.77	-	-4,138.25	988.86	-383.31	-94.71	-	-3,379.46	942.95
--unrealized profits of internal transactions	-811.70	12.77	-	-4,138.25	988.86	-383.31	-94.71	-	-3,379.46	942.95
Book value of equity investment in joint ventures	7,692.51	40,077.88	69,305.39	276,508.58	49,744.46	15,415.23	37,132.07	68,975.68	147,157.30	37,964.25
Operating income	3,853.49	19,148.81	743.86	130,649.27	89,556.04	8,748.17	20,390.00	609.57		
Net profit	4,234.21	11,330.05	682.67	15,476.32	23,941.44	3,169.81	7,876.21	-1,636.99		
Total comprehensive income	4,234.21	11,330.05	682.67	15,476.32	23,941.44	3,169.81	7,876.21	-1,636.99		

Other descriptions  
None

**(4). Summary financial information of unimportant joint ventures and associates**

√Applicable □Not applicable

Unit: RMB

	Closing balance/amount in the current period	Opening balance/amount in the previous period
Joint ventures:		
Total book value of investments	61,969,194.96	49,048,582.56
Total amounts of the following items calculated based on shareholding ratio		
--Net profits	-17,417,905.83	-58,781,609.61
--Total comprehensive income	-17,417,905.83	-58,781,609.61
Associates:		
Total book value of investments	410,104,474.22	351,543,008.12
Total amounts of the following items calculated based on shareholding ratio		
--Net profits	-2,760,126.81	2,988,663.47
--Total comprehensive income	-2,760,126.81	2,988,663.47

Other descriptions

None

**(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 investment in joint ventures**

□Applicable √Not applicable

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

□Applicable √Not applicable

**4. Important joint operations**

□Applicable √Not applicable

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

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

□Applicable √Not applicable

**6. Others**

□Applicable √Not applicable

**X. Risks associated with financial instruments**

√Applicable □Not applicable

**1. Categorization of financial instruments**

The book values of financial instruments on the balance sheet date are as follows:

June 30, 2021

**Financial assets**

Financial liabilities	Financial assets that are measured at fair value and whose changes are included in the current profit and loss	Measured at amortized cost	measured at fair value and whose changes are included in other comprehensive income	Total
	Requirements in the standard		Designated	
Monetary capital	-	3,019,635,447.13	-	3,019,635,447.13
Held-for-trading financial assets	57,568,002.17	-	-	57,568,002.17
Accounts Receivable	-	139,603,567.84	-	139,603,567.84
Other receivables	-	3,072,486,757.71	-	3,072,486,757.71
Other current assets	-	237,091,677.93	-	237,091,677.93
Long-term receivables	-	186,094,734.90	-	186,094,734.90
Other equity instruments investment	-	-	588,254,213.58	588,254,213.58
Other non-current financial assets	1,565,523,492.51	-	-	1,565,523,492.51
	<u>1,623,091,494.68</u>	<u>6,654,912,185.51</u>	<u>588,254,213.58</u>	<u>8,866,257,893.77</u>

**Other financial liabilities**

Short-term loans	1,234,890,481.77
Accounts payable	807,401,123.93
Other payables	1,775,772,737.40
Non-current liabilities due within one year	2,031,849,229.82
Other current liabilities	3,061,785,512.50
Long-term loans	604,000,000.00
Bonds payable	2,786,076,439.37
	<u>12,301,775,524.79</u>

2020

**Financial assets**

Financial liabilities	Financial assets that are measured at fair value and whose changes are included in the current profit and loss	Measured at amortized cost	measured at fair value and whose changes are included in other comprehensive income	Total
	Requirements in the standard		Designated	
Monetary capital	-	5,612,642,932.21	-	5,612,642,932.21
Held-for-trading financial assets	51,712,734.31	-	-	51,712,734.31
Accounts Receivable	-	153,573,476.86	-	153,573,476.86
Other receivables	-	2,708,478,136.25	-	2,708,478,136.25
Other current assets	-	3,279,187.50	-	3,279,187.50
Long-term receivables	-	126,756,573.81	-	126,756,573.81



Other equity instruments investment				662,256,342.79
Other non-current financial assets	1,523,925,249.81	-	-	1,523,925,249.81
	<u>1,575,637,984.12</u>	<u>8,604,730,306.63</u>	<u>662,256,342.79</u>	<u>10,842,624,633.54</u>

#### Other financial liabilities

Short-term loans	1,257,179,389.40
Accounts payable	636,463,802.23
Other payables	1,646,345,561.62
Non-current liabilities due within one year	1,315,026,574.43
Other current liabilities	3,008,141,460.22
Long-term loans	282,000,000.00
Bonds payable	3,552,161,709.68

## 2. Risks associated with financial instruments

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

### Credit risk

The Group only deals with the recognized third parties with good reputation. According to its policy, the Group needs to carry out credit review on all clients who require to deal with the Group on credit. In addition, the Group keeps monitoring the balance of accounts receivable to ensure it will not face any material bad debt risk. For the transactions settled other than in the functional currency of related business entities, unless with specific approval of the Group's credit control department, the Group will not provide the conditions for dealing on credit. The Group also faces credit risks due to the provision of financial guarantees. See Note XIV. 2 for details.

As the counterparties to the transactions of cash are banks with good reputation and high credit ratings, the credit risk of those financial instruments is relatively low.

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

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

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

#### *Criteria for significant increase in credit risk*

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

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

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

*Definition of the assets whose credit has been impaired*

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

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

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

*Measurement parameters of expected credit loss*

Depending on whether credit risk has increased significantly and whether credit has been impaired, the Group makes impairment provisions for the expected credit losses of different assets within 12 months or the entire durations. The key parameters of expected credit loss include the probability of default, loss given default and default risk exposure. The Group has built the models of probability of

default, loss given default and default risk exposure based on the quantitative analysis of historical data (e.g. rating of counterparties, form of guarantee and category of collaterals or pledges, form of repayment) and forward-looking information.

The related definitions are as follows:

- (1) The probability of default refers to the possibility that the debtor will be unable to fulfill its payment obligations in the next 12 months or throughout the remaining duration. The Group adjusts the probability of default based on the results of the expected credit loss model and with forward-looking information included to reflect the debtors' probability of default under the current macro economic environment.
- (2) The default loss rate refers to the Group's expectation on the extent of losses incurred due to the default risk exposure. The loss given default varies with the type of counterparty, the form and priority of claims and collaterals. The loss given default is the percentage of risk exposure loss at the time of default and is calculated based on the coming 12 months or the entire remaining duration.
- (3) The default risk exposure refers to the amount that the Group should pay out when a default occurs in the next 12 months or throughout the remaining duration.

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

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

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

### **Liquidity risk**

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

The Group aims to make use of such financing instruments as bank loans, commercial papers, MTNs, corporate bonds and long-term borrowings to maintain the balance between the continuity and flexibility of financing. On June 30, 2021, 70.28% of the Group's debts would be due within one year (December 31, 2020: 66.99%).

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

June 30, 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 loans	1,147,906.03	10,675,526.11	1,249,374,764.93			1,261,198,197.07
Accounts payable	688,615,258.47	118,785,865.46				807,401,123.93
Other payables	1,313,492,997.88			462,279,739.52		1,775,772,737.40
Other current liabilities	4,304,034.67	2,024,351,506.85	1,011,671,232.88			3,040,326,774.40
Non-current liabilities due within one year	206,888.89	1,099,184,511.11	975,273,288.89			2,074,664,688.89
Long-term loans	583,444.44	5,426,033.33	15,986,377.78	624,787,284.44		646,783,139.99
Bonds payable		39,900,000.00	87,236,904.11	2,720,293,095.89		2,847,430,000.00
Total	2,008,350,530.38	3,298,323,442.86	3,339,542,568.59	3,807,360,119.85		12,453,576,661.68

2020

Item	At call	1-3 months	3 months-1 year (1 year inclusive)	1 year - 5 years (5 years inclusive)	Above 5 years	Total
Short-term loans	3,043,884.75	704,443,269.49	559,256,951.23			1,266,744,105.47
Accounts payable	538,556,910.03	97,906,892.20				636,463,802.23
Other payables	1,168,708,392.46			477,637,169.16		1,646,345,561.62
Other current liabilities	4,131,670.37	1,002,071,232.88	2,012,205,479.45			3,018,408,382.70
Non-current liabilities due within one year	980,000.00	51,731,333.33	1,285,433,398.48			1,338,144,731.81
Long-term loans	868,333.33	1,736,666.67	7,815,000.00	298,671,166.67		309,091,166.67
Bonds payable			141,930,000.00	3,588,613,260.27		3,730,543,260.27
Total	1,716,289,190.94	1,857,889,394.57	4,006,640,829.16	4,364,921,596.10		11,945,741,010.77

## Market risks

### Interest rate risk

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

The Group manages interest costs by maintaining an appropriate combination of fixed-rate debts and variable-rate debts. As of Jun 30, 2021, the Company had long-term borrowings of RMB604million among its long-term liabilities, the interest rates of which were adjusted on an annual basis based on the benchmark loan rate on the anniversary dates. Therefore, the management believe that its risk of market interest rate change is relatively low.

### Foreign exchange rate risk

The Group faces trading exchange rate risks. Such risks are caused by sales or purchases made by certain business units in currencies other than their bookkeeping currency. 7% of the Group's sales in the current period (2020: 3%) were denominated in a currency other than the functional currency of the operating unit where the sales occurred, while 92% (2020: 98%) of the costs were denominated in the functional currency of the operating unit. Considering the Group's short time of inventory and timely collection of accounts receivable, the management believe that its foreign exchange rate risk is relatively low.

### Price risk of equity instrument investments

The price risk of equity instrument investments refers to the risk of the fair value of equity securities decreasing due to the changes in stock indices and value of individual securities. As of Jun 30, 2021, the Group was exposed to the price risk of equity instrument investments arising from the individual equity instrument

investments classified as the financial instruments that are measured by fair value and of which the changes in fair value are recognized in income in current period (Note VII. 2) or recognized in other comprehensive income (Note VII. 18). The listed equity instruments that were invested and held by the Group were listed on the Shanghai Stock Exchange and the Shenzhen Stock Exchange, respectively, the determination is made through discounting and adjustment using the trading prices of similar circulating stocks of the same listed company on the balance sheet date, combined with liquidity.

### 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 in 2021 and in 2020, there was no change in capital management objectives, policies or procedures.

## XI. Disclosure of fair value

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

Applicable Not applicable

Unit: RMB

Item	Closing fair value			
	Level 1 fair value	Level 2 fair value	Level 3 fair value	Total
<b>I. Continuous fair value measurement</b>				
(1) Held-for-trading financial assets	2,000.15	57,566,002.02		57,568,002.17
1. Financial assets that are measured at fair value and whose changes are included in the current profit and loss	2,000.15	57,566,002.02		57,568,002.17
(2) Investment in equity instruments	2,000.15	49,066,002.02		49,068,002.17
(4) Bank wealth management products		8,500,000.00		8,500,000.00
(3) Other equity instruments investment	588,254,213.58			588,254,213.58
(vi) Other non-current financial assets		224,112,791.60	1,341,410,700.91	1,565,523,492.51
<b>Total assets continuously measured by fair value</b>	<b>588,256,213.73</b>	<b>281,678,793.62</b>	<b>1,341,410,700.91</b>	<b>2,211,345,708.26</b>

### 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 2021.

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

Applicable Not applicable

The Group's level-2 items continuously measured at fair value mainly include unlisted equity investments and listed equity instruments with restricted sales conditions. The fair value of unlisted equity investments is determined based on the information in the financial statements of these unlisted companies as of June 30, 2021, 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, 2021.

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

Assets and liabilities disclosed by fair value

June 30, 2021

	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>4,623,646,006.73</u>		<u>4,623,646,006.73</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, 2021	2020	June 30, 2021	2020
Financial liabilities bonds payable (current portion included)	<u>4,627,135,335.88</u>	<u>4,584,565,819.27</u>	<u>4,623,646,006.73</u>	<u>4,566,553,461.90</u>

The management have evaluated cash and cash equivalents, accounts receivable, notes payable and accounts payable. Their fair values were equivalent to their book values as their remaining terms were not long. The fair values of long-term receivables, other non-current assets, long and short-term borrowings and long-term accounts payable were determined with the discounted future cash flow method, with the market yields of other financial instruments with similar contract terms, credit risks and remaining terms as the discount rates. Their fair values were equivalent to their book values.

The Group's finance department, headed by the General manager of the Group Finance Center, is responsible for developing policies and procedures for the fair value measurement of financial instruments. The General Manager of the Group Finance Center reports directly to the Group Finance Officer, who reports to the Audit Committee. On each balance sheet date, the financial department analyzes the changes in the value of financial instruments and determines the main input values applicable to the valuation. The valuation shall be reviewed and approved by the Group's Financial Director. For the preparation of semi-annual and annual financial statements, the valuation process and results are discussed with the audit committee twice a year.

The fair values of financial assets and financial liabilities refer to the amounts determined based on the voluntary exchange of assets or repayment of debts by the parties to arm's length transactions who are familiar with the transactions rather than forced sale or liquidation. The following methods and assumptions are used to estimate fair value.

The fair value of bonds payable is determined with the discounted future cash flow method, with the market yields of other financial instruments with similar contract terms, credit risks and remaining terms as the discount rates, and falls in Level 2. The significant unobservable inputs for measurement of the fair value of bonds payable are the repayment rate and loss given default.

If there are no restrictions on the sale of listed equity instruments, the fair value is determined at the quoted market price. In the listed equity instruments subject to

restricted sales conditions, the valuation model is used to determine the fair value based on the market quotation, and the important observable input value is the liquidity discount. The Group believes that the fair value estimated by valuation techniques is reasonable and is also the most appropriate value on the balance sheet date.

There was no significant conversion of the Group's and the Company's financial instruments measured by fair value between different levels in the current year and in the previous year.

## XII. Related parties and related-party transactions

### 1. Parent company of the Company

Applicable Not applicable

Unit: RMB10,000

Name of parent company	Registering place	Nature of business	Registered capital	Shareholding ratio in the Company (%)	Voting right ratio in the Company (%)
CCCH	Yiwu, Zhejiang	Asset management	100,000	55.34	55.34

Notes on the parent company of the Company

None

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

Other notes:

None

### 2. Subsidiaries of the Company

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

Applicable Not applicable

For details of subsidiaries, see Note "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

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
Binjiang Shangbo	Associate
Huishang Micro-finance	Associate
Redbud Capital	Joint venture
Zhejiang Yemai Data Technology Co., Ltd.	Associate
Meipinshu	Associate



JEBEL ALI FREE ZONE TRADER MARKET DEVELOPMENT AND OPERATION FZCO	Associate
Digital Port	Joint venture
CCCP	Associate

Other descriptions

Applicable Not applicable

#### 4. Other related parties

Applicable Not applicable

Name of other related party	Relationship with the Company
Yourworld International Conference Center Company of Yiwu Market Development Group Co., Ltd.	Branch of Controlling shareholder of the Company's largest shareholder
Yiwu Security Service Co., Ltd.	Subsidiary of controlling shareholder of the Company's largest shareholder
MDG	Controlling shareholder of the Company's largest shareholder
SCO	Parent company of controlling shareholder of the Company's largest shareholder
Huangyuan Shangbo	Subsidiaries of joint ventures
Chengzhen Property	Subsidiaries of joint ventures
Gongchen Shangbo	Subsidiaries of joint ventures
Tonghui Shangbo	Subsidiaries of joint ventures
Zhejiang Shangbo Property Co., Ltd.	Subsidiaries of associates
Handing Shangbo	Subsidiaries of associates
Yiwu Guoshen Shangbo Property Co., Ltd.	Joint venture

Other descriptions

None

#### 5. Related-party transactions

##### (1). Related-party transactions of purchasing and selling goods and rendering and accepting service

Purchasing goods/accepting service

Applicable Not applicable

Unit: RMB

Related party	Contents of related-party transaction	Amount in the current period	Amount in the previous period
Yiwu Security Service Co., Ltd.	Local and foreign currencies truck escort security service fees	37,500	42,500

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
Xingfuhu International Conference Center	Laundry costs, venue rental costs, etc.	2,406,375.28	506,168.10
Meipinshu	Procurement agency	1,566,898.69	-
CCCP	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	Our company	Entrustment of other assets	Feb 1, 2020	Jan 31, 2025	Negotiated price	895,759.55

Notes on entrustment/contracting from related parties

Applicable Not applicable

According to the Yourworld International Conference Center Management Contract signed by and between the Company and the Market Development Group, the Company is entrusted to manage Yourworld International Conference Center Hotel located at No. 100, Xingfuhu Road, Yiwu City. The hotel management fee collected during the reporting period was RMB 895,759.55 (January- June 2020: RMB 452,962.93)

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
Huishang Micro-finance	Office space	196,476.69	217,159.71
Redbud Capital	Office space	123,409.53	135,779.71
Zhejiang Yemai Data Technology Co., Ltd.	Office space	22,184.76	56,131.90

The Company as the lessee

□Applicable √Not applicable

Notes on related-party lease

√Applicable □Not applicable

The Group leased out office spaces to above related parties at market prices

**(4). Related-party guarantees**

The Company as the guarantor

√Applicable □Not applicable

Unit: RMB

Guaranteed party	Guaranteed amount	Starting date of the guarantee	Maturity date of the guarantee	Whether the guarantee has been fulfilled
Yiwu Shanglv	184,837,311.23	July 1, 2015	December 15, 2026	NO
Yiwu Shanglv	13,918,103.03	December 25, 2020	December 24, 2023	NO
Huangyuan Shangbo	284,244,666.76	August 23, 2019	August 22, 2024	NO

The Company as the guaranteed party

√Applicable □Not applicable

Unit: RMB

Guaranteeing party	Guaranteed amount	Starting date of the guarantee	Maturity date of the guarantee	Whether the guarantee has been fulfilled
MDG	90,000,000.00	April 22, 2013	October 22, 2021	NO

Notes on related-party guarantees

√Applicable □Not applicable

1. MDG provided guarantee for the Group's loan from the Export-Import Bank of China Zhejiang Branch, with a total amount of RMB 90million (RMB200million as of Dec 31, 2020). As of Jun 30, 2021, the Group borrowed RMB 90million (RMB

200million as of Dec 31, 2020) under this guarantee, for which MDG assumed joint and several liability in full.

2. The Group provided Yiwu Shanglv with a loan guarantee with the maximum amount not exceeding RMB 49 million to Yiwu Branch of Bank of Communications Co., Ltd. As of June 30, 2021, Yiwu Shanglv actually borrowed RMB 28.4043 million from the bank (December 31, 2020: RMB 11.50 million). As agreed in the guarantee contract, the Bank of Communications Co., Ltd. Yiwu Branch assumed a guarantee liability of RMB 13.9181 million (December 31, 2020: RMB 5.635 million). CCCH provided a counter-guarantee

4. The Group provided guarantee for the borrowings of Yiwu Shanglv. As of Jun 30, 2021, Yiwu Shanglv actually borrowed RMB377.219million (RMB477.6597million as of Dec 31, 2020) from banks. According to the guarantee contract, the Group assumed liability for RMB184.8373million (RMB234.0533million as of Dec 31, 2020). SCO provided a counter-guarantee

4. The Group provided guarantee for the borrowings of Huangyuan Shangbo. As of Jun 30, 2021, Huangyuan Shangbo actually borrowed RMB580.0912million (RMB1.2890987 billion as of Dec 31, 2020) from banks. According to the guarantee contract, the Group assumed liability for RMB284.2447million (RMB631.6583million as of Dec 31, 2020).

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

Applicable Not applicable

Unit: RMB

Related party	Amount	Starting date	Maturity date	Explanation
Borrowings				
Huangyuan Shangbo	98,000,000.00	Jan 26, 2021		In January 2021, the Group borrowed a total of RMB 98,000,000.00 from Huangyuan Shangbo in the proportion to the shareholding ratio at the annual interest rate of 0%. The repayment date will be determined based on the funding requirements of the Huangyuan Shangbo project.
Huangyuan Shangbo	73,500,000.00	Mar 2, 2021		In March 2021, the Group borrowed a total of RMB 73,500,000.00 from Huangyuan Shangbo in the proportion to the shareholding ratio at the annual interest rate of 0%. The repayment date is determined according to the funding requirements of the Huangyuan Shangbo project.
Chengzhen Property	72,000,000.00	Jan 26, 2021		In 2020, the Group borrowed a total of RMB 27,200,000.00 from Chengzhen Real Estate; in January 2021, the Group borrowed a total of RMB 72,000,000.00 from Chengzhen Real Estate. All these were borrowed in the proportion to the shareholding ratio at the annual interest rate of 0%. The repayment date is determined according to the funding requirements of the Chengzhen Real Estate project.
Chengzhen Property	4,800,000.00	May 20, 2021		In May 2021, the Group borrowed a total of RMB 4,800,000.00 from Chengzhen Real Estate in the proportion to the shareholding

				ratio at the annual interest rate of 0%. The repayment date is determined according to the funding requirements of the Chengzhen Real Estate project.
Gongchen Shangbo	472,659,831.00	December 28, 2020	May 27, 2021	In 2020, the Group provided Gongchen Shangbo with financial assistance totaling RMB 472,659,831.00 at the annual interest rate of 10%. As of May 31, 2021, Gongchen Shangbo has been repaid off in succession.
Gongchen Shangbo	49,000,000.00	May 14, 2020	May 27, 2021	In 2020, the Group provided Gongchen Shangbo with financial assistance totaling RMB 49,000,000.00 at the annual interest rate of 10%. As of May 31, 2021, Gongchen Shangbo has been repaid off in succession.
Tonghui Shangbo	556,640,000.00	October 23, 2020		In 2020, the Group provided Tonghui Shangbo with financial assistance totaling RMB 1,486,368,548.00 at the annual interest rate of 6.5%. As of June 30, 2021, Tonghui Shangbo has successively repaid RMB 556,640,000.00.

Related party	Amount	Starting date	Maturity date	Explanation
Lending to				
Huangyuan Shangbo	102,900,000.00	July 31, 2020		In 2020, the Group has borrowed a total of RMB 539,000,000.00 from Huangyuan Shangbo in the proportion to the shareholding ratio at the annual interest rate of 0%. RMB 102,900,000.00 of them has been repaid in April 2021. The repayment date of the remaining debts will be determined according to the funding requirements of Huangyuan Shangbo project.
Handing Shangbo	17,845,800.00	May 11, 2021		In 2020, the Group provided Handing Shangbo with financial assistance totaling RMB 472,144,400.00; in May 2021, the Group provided Handing Shangbo with financial assistance totaling RMB 17,845,800.00, all at the annual interest rate of 6%. The repayment term of the financial assistance is determined based on the progress of the project.
Guoshen Shangbo	1,372,000,000.00	Apr 19, 2021		In April 2021, the Group provided Guoshen Shangbo with financial assistance totaling RMB 1,372,000,000.00 at the annual interest rate of 0%. The repayment term of the financial assistance is determined based on the progress of the project.
JEBEL ALI FREE ZONE TRADER MARKET DEVELOPMENT AND OPERATZON FZCO	58,235,205.00	Mar 15, 2021		In 2020, the Group provided JEBEL ALI FREE ZONE TRADER MARKET DEVELOPMENT AND OPERATION FZCO financial assistance totaling RMB 63,465,484.42; in March 2021, the Group provided it will financial assistance totaling RMB 58,235,205.00, all at the 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.
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**(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	827.37	1,213.93

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

Applicable Not applicable

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

Applicable Not applicable

Unit: RMB

Project	Related party	Closing balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Accounts Receivable	Tonghui Shangbo	1,100,000.00		0.00	
Accounts Receivable	Huishang Micro-finance	10,993.00		0.00	
Accounts Receivable	Yixinou Supply Chain	3,841.20		0.00	
Accounts Receivable	Meipinshu	4,761,867.01		3,791,271.51	
Total		5,876,701.21		3,791,271.51	
Interest receivable	Handing Shangbo	15,827,392.54		1,629,868.34	
Interest receivable	Gongchen Shangbo	106,986,844.63		101,380,259.61	
Interest receivable	Tonghui Shangbo	61,810,923.55		18,391,082.53	
Total		184,625,160.72		121,401,210.48	
Other receivables	Handing Shangbo	489,990,200.00		472,144,400.00	
Other receivables	Guoshen Shangbo	1,372,000,000.00		0.00	
Other receivables	Tonghui Shangbo	929,728,548.00		1,486,368,548.00	
Total		2,791,718,748.00		2,480,172,779.00	
Long-term receivables	Yiwu Shanglv	61,250,000.00		61,250,000.00	
Long-term	Dubai Joint	124,844,734.90		65,506,573.81	

receivables	Venture Company				
Total		186,094,734.90		126,756,573.81	

**(2). Payables**

√Applicable □Not applicable

Unit: RMB

Project	Related party	Closing book balance	Opening book balance
Accounts payable	Zhejiang Yemai Data Technology Co., Ltd.	234,991.51	1,944,907.37
Accounts payable	Meipinshu	216,645.00	0.00
Total		451,636.51	1,944,907.37
Advance from customers	Redbud Capital	205,682.56	82,272.97
Advance from customers	Huishang Micro-finance	17,063.49	119,444.13
Advance from customers	Meipinshu	87,749.26	29,076.43
Advance from customers	CCCP	244,915.60	612,289.00
Advance from customers	Digital Port	31,877.64	116,090.04
Advance from customers	Suxi Shangbo	81,000.00	0.00
Total		668,288.55	966,567.57
Contract liabilities	Huishang Micro-finance	9,587.95	12,609.59
Contract liabilities	Digital Port	18,532.07	2,192.92
Total		28,120.02	14,802.51
Other payables	Huangyuan Shangbo	607,600,000.00	539,000,000.00
Other payables	Chengzhen Property	104,000,000.00	27,200,000.00
Other payables	MDG	67,938.05	400,421.10
Other payables	Digital Port	26,300.00	26,300.00
Other payables	Huishang Micro-finance	33,000.00	85,000.00
Other payables	CCCP	240,000.00	240,000.00
Other payables	Meipinshu	57,000.00	57,000.00
Total		712,024,238.05	567,032,721.10

**7. Related-party commitments**

□Applicable √Not applicable

**8. Others**

Applicable Not applicable

**XIII. Share-based payment****1. Overview of share-based payment**

Applicable Not applicable

	Unit: Share	Currency: RMB
Total amount of equity instruments granted by the Company in the current period		
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 price was RMB 2.94, in 60 months from the date of grant registration	
Scope of the exercise price of other equity instruments issued by the Company and the remaining period of the contract at the end of the period		

Other descriptions

None

**2. Share-based payment settled with equity**

Applicable Not applicable

	Unit: RMB
Method for determining the fair value of equity instruments on the grant date	Market price on grant day
Basis for determining the number of exercisable equity instruments	Determined based on the number of incentive objects that have reached the assessment target, through annual assessment on the Company's financial performance indicators and personal performance indicators.
Reason for the significant difference between the estimates in the current period and in the previous period	
Cumulative amount of equity-settled share-based payments included in the capital reserve	18,891,794.50
Total amount of expenses recognized by equity-settled share payments in the current period	17,010,813.12

Other descriptions

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 Stock Incentive Plan 2020 (Draft)" and its summary. A total of 50,480,000 restricted stocks were granted, accounting for about 0.927% of



5,443,214,176 shares, the Company's total share capital, of which 47,920,000 shares were granted for the first time and 2,560,000 shares reserved; the number of incentive objects granted for the first time in this plan was 405, and the restricted stock incentive objects were directors, senior management and core technical personnel of the Company (including subsidiaries), and other personnel deemed by the board of directors to be motivated; the grant price of some restricted stocks granted in this plan for the first time was RMB 2.94 per share.

According to the authorization of the fifth extraordinary general meeting of shareholders in 2020, the Japanese Company held the 26<sup>th</sup> meeting of the eighth board of directors on December 11, 2020, and reviewed and passed the "Plan on Initially Granting Restricted Shares to Incentive Objects". The first grant date is December 11, 2020. The number of first grants is 47,920,000 shares, and the grant price is RMB 2.94/share. The source of the restricted stock incentive plan is the Company's directional issuance of restricted stocks to incentive objects, and the types of stocks is RMB A-share common stocks. During the subscription process, 10 incentive objects voluntarily waived 1,220,000 restricted stocks to be granted to them due to personal reasons; therefore, 46,700,000 restricted stocks were granted, and the number of incentive objects was 395 in this action. On December 29, 2020, the Company received the subscription payment for restricted stocks for RMB 137,298,000.00 from the incentive objects. The actual number of stocks subscribed was 46,700,000, which was verified by Ernst & Young Hua Ming Certified Public Accountants (Special General Partnership) with a capital verification report ( (2020) YZ No. 60709629\_B01). On January 15, 2021, the Company's board of directors has completed the registration of the first grant of restricted stocks.

The first grant of restricted shares under the restricted share incentive plan will vest in three phases from the first trading day 24 months after the date of completion of the grant registration to the last trading day 60 months after the date of completion of the grant registration, that is, upon satisfying the vesting conditions, the employee has the right to purchase the share at the option price. Within the vesting period, if the vesting conditions of the restricted share incentive plan are met, the incentive object may apply for the vesting of the share 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, 2021	2020
Signed but not provided	841,672,802.56	1,346,968,354.17

**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") jointly established an industry fund Yiwu China Commodities City Fuxing Investment Center (limited partnership) (hereinafter referred to as the "FoF"). The FoF invested in 12 sub-funds including Yiwu Shangfu Chuangzhi Investment Center (limited partnership) ("Shangfu Chuangzhi Fund"). 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 approval date of the financial statements, the freeze period has been extended until September 2, 2021.

As of the approval date of the financial statements, the Group had not received any notice of capital contribution other than the above contributions that had been made or any notice of action involving the Group, CCCF, FoF and its sub-funds.

In addition, as of June 30, 2021, the Group had other investment commitments totaling RMB 872.505 million (December 31, 2020: RMB 201.71 million).

**2. Contingencies****(1). Important contingencies on the balance sheet dates**

Applicable Not applicable

Unit: RMB

Item	June 30, 2021	2020
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Contingent liabilities resulting from the guarantee provided externally	492,928,937.24	973,992,539.81
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According to relevant regulations, before the purchaser of the commercial housing sold by the Group has obtained the property certificate, the Group shall provide the purchaser with a bank mortgage guarantee. As of June 30, 2021, the unsettled guarantee amount was RMB 9,928,856.22 (December 31, 2020: RMB 16,170,141.08). Those guarantees would be released after the issuance of the property ownership certificates and are thus little likely to incur losses. Therefore, the management believed that it was not necessary to make provision for the guarantees.

According to the resolution of the 15th meeting of the 7th Board of Directors on July 1, 2015, the Group applied to the Yiwu Branch of ABC for a RMB750million loan for Yiwu Shanglv and provided guarantee based on its shareholding ratio. The guarantee was a joint and several liability guarantee, the maximum amount of guarantee was RMB367.5million and the term was 11 years. As of June 30, 2021, Yiwu Shanglv actually borrowed RMB 377,219,002.51 from the banks in total (December 31, 2020: RMB 477,659,739.88). According to the agreement of the guarantee contract, it assumed the guarantee liability of RMB 184,837,311.23 for the Agricultural Bank of China Yiwu Branch (December 31, 2020: RMB 234,053,272.54). Yiwu State-owned Capital Operation Co., Ltd. provided a counter guarantee for this guarantee.

According to the resolution of the 19<sup>th</sup> Meeting of the 8<sup>th</sup> Board of Directors on August 13, 2020, the Group applies for a loan with a total amount of not more than RMB 100 million for Yiwu Shanglv with the Bank of Communications Co., Ltd. Yiwu Branch and provided a guarantee in proportion to the shareholding ratio. The guarantee method was under joint liability, the maximum amount of the guarantee was RMB 49 million, and the guarantee period was two years, from the date of the expiry of the debt performance period agreed in the independent contract until the date of the expiration of the debt performance period of all last due main debt under the master contract. As of June 30, 2021, Yiwu Shanglv actually borrowed RMB 28,404,291.89 from the banks in total (December 31, 2020: RMB 11,500,000.00). According to the agreement of the guarantee contract, it assumed the guarantee liability of RMB 13,918,103.03 for the Agricultural Bank of China Yiwu Branch (December 31, 2020: RMB 5,635,000.00). Yiwu China Commodity City Holdings Limited provided counter-guarantee for this guarantee.

According to the resolution of the 65th meeting of the 7th Board of Directors on Jul 23, 2019, the Group applied to the Yiwu Branch of ICBC and Yiwu Branch of SPDB for RMB1bn loans respectively for Huangyuan Shangbo and provided guarantees for them based on its shareholding ratio. As of June 30, 2021, Huangyuan Shangbo actually borrowed RMB 266,421,958.33 from Industrial and Commercial Bank of China Yiwu Branch and RMB 313,669,198.33 from Shanghai Pudong Development Yiwu Branch (December 31, 2020: RMB 674,889,305.56, RMB 614,209,347.22). According to the agreement in the guarantee contract, it assumed the guarantee liability of RMB 130,546,759.58 for the Yiwu Branch of Industrial and Commercial Bank of China, and RMB 153,697,907.18 for the Yiwu Branch of Shanghai Pudong Development Bank (December 31, 2020: RMB 330,695,759.72, RMB 300,962,580.14).

(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. Matters after the balance sheet date**

**1. Important non-adjusting events**

Applicable Not applicable

Unit: RMB

Item	Content	Effect on financial status and operating results	Reason why the effect cannot be estimated
Issuance of ultra-short-term financing bonds	On July 6, 2021, the Company issued Zhejiang China Commodities City Group Co., Ltd.'s 2021 6 <sup>th</sup> issue of ultra-short-term financing bonds with a maturity of 152 days and a one-off repayment of RMB 1 billion, at the interest rate of 2.70%.		

**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 matters**

**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	Sales	Hotel	Exhibition	Other	Set-offs	Total
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	operation	of goods	service	and advertising	services	among divisions	
Revenue from external transactions	1,493	351	68	43	118	-	2,073
Revenue from inter-division transactions	26	4	3	5	15	53	-
Loss for asset impairment	-	-	-	-	-	-	-
Profits before tax	1,120	-20	-15	-18	26	33	1,060
Total assets	38,104	679	355	650	4,894	14,968	29,714
Total liabilities	23,163	944	371	585	1,620	11,055	15,628
Capital expenditures	1,117	-	70	7	63	-	1,257
Long-term equity investment in joint ventures and associates	1,273	1	-	-	25	-	1,299

(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 descriptions

Applicable Not applicable

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

Applicable Not applicable

8. Others

Applicable Not applicable

XVII. Notes to the main items in the parent corporate financial statements

1. Accounts Receivable

(1). Disclosure based on account age

Applicable Not applicable

Unit: RMB

Age	Closing book balance
Within 1 year	6,537,270.58
1 to 2 years	111,942.00
2 to 3 years	285,968.46
Above 3 years	6,118.00
Less: bad debt provision for accounts receivable	46,646.93
Total	6,894,652.11

**(2). Disclosure by category according to the method of provision for bad debt**

√Applicable □Not applicable

Unit: RMB

Type	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	(%)	Amount	Provisi on ratio (%)		Amount	(%)	Amount	Provisi on ratio (%)	
Accounts receivable for which bad debt provision is made by group	6,941,299.04	100.00	46,646.93	0.67	6,894,652.11	14,686,565.66	100.00	14,988.19	0.10	14,671,577.47
Total	6,941,299.04	/	46,646.93	/	6,894,652.11	14,686,565.66	/	14,988.19	/	14,671,577.47

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	6,941,299.04	46,646.93	0.67
Total	6,941,299.04	46,646.93	0.67

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

Age	June 30, 2021			2020		
	Estimated book balance in default	Expected credit loss rate (%)	Expected credit loss in whole duration	Estimated book balance in default	Expected credit loss rate (%)	Expected credit loss in whole duration
Within 1 year	6,537,270.58	0.01	618.70	14,267,749.52	0.01	1,350.33
1 - 2 years	111,942.00	0.51	570.57	407,254.08	0.51	2,075.80
2 -3 years	285,968.46	13.76	39,339.66	-	13.76	-
Above 3 years	6,118.00	100.00	6,118.00	11,562.06	100.00	11,562.06
Total	6,941,299.04		46,646.93	14,686,565.66		14,988.19

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

Unit: RMB

Type	Opening balance	Amount of change during the current period				Closing balance
		Accrual	Recovery or reversal	Charge-off or write-off	Other changes	
Bad debt provision for accounts receivable	14,988.19	43,220.80	11,562.06			46,646.93
Total	14,988.19	43,220.80	11,562.06	-	-	46,646.93

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	184,625,160.72	121,401,210.48
Other receivables	2,811,620,059.16	2,530,239,399.58
Total	2,996,245,219.88	2,651,640,610.06

Other notes:

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

Unit: RMB

Item	Closing balance	Opening balance
Cash occupation fee for receivables	184,625,160.72	121,401,210.48
Total	184,625,160.72	121,401,210.48

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

Other notes:

√Applicable Not applicable

As of June 30, 2021, the receivable capital occupation fee was the capital occupation fee collectable by the Company for providing financial assistance to joint ventures and associated enterprises.

**Dividend receivable****(4). Dividend receivable**Applicable Not applicable**(5). Important dividend receivable with an account age longer than 1 year**Applicable Not applicable**(6). Bad debt provision**Applicable Not applicable

Other notes:

Applicable Not applicable**Other receivables****(7). Disclosure based on account age**√Applicable Not applicable

Unit: RMB

Age	Closing book balance
Within 1 year	2,807,478,943.79
1 to 2 years	562,964.60
2 to 3 years	1,153,947.81
Above 3 years	3,120,786.98
Less: Provision for bad debts of other receivables	696,584.02
Total	2,811,620,059.16

**(8). Categorization by nature**

√Applicable □Not applicable

Unit: RMB

Nature of account	Closing book balance	Opening book balance
Financial assistance receivable from joint ventures	2,791,718,748.00	2,480,172,779.00
Receivables from self-operated land	-	42,493,714.00
Reserve	1,695,632.28	430,887.57
Withholdings, deposit and margin	18,205,678.88	7,142,019.01
Total	2,811,620,059.16	2,530,239,399.58

**(9). Bad debt provision**

√Applicable □Not applicable

Unit: RMB

Bad debt provision	Phase I	Phase II	Phase III	Total
	Expected credit loss in the coming 12 months	Expected credit loss in the entire duration (credit has not been impaired)	Expected credit loss in the entire duration (credit has been impaired)	
Balance as of January 1, 2021	285,589.88			285,589.88
Balance as of January 1, 2021 in the current period				
Provision made in the current period	561,077.54			561,077.54
Current reversal	120,083.39			120,083.39
Write-off in current period	30,000.01			30,000.01
Balance as of June 30, 2021	696,584.02	-	-	696,584.02

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

**(10). Provisions for bad debts**

Applicable Not applicable

Unit: RMB

Type	Opening balance	Amount of change during the current period				Closing balance
		Accrual	Recovery or reversal	Charge-off or write-off	Other changes	
Bad debt provision for other receivables	285,589.88	561,077.54	120,083.39	30,000.01		696,584.02
Total	285,589.88	561,077.54	120,083.39	30,000.01	-	696,584.02

In which the recovered or reversed amount is important:

Applicable Not applicable

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

Applicable Not applicable

Notes on the write-off of other receivables:

Applicable Not applicable

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

Applicable Not applicable

Unit: RMB

Debtor	Nature of receivable	Closing balance	Age	Weight in the total closing balance of other receivables (%)	Bad debt provision Closing balance
Yiwu Guoshen Shangbo Property Co., Ltd.	Financial assistance	1,372,000,000.00	Within 1 year	48.79	
Yiwu Tonghui Shangbo Real Estate Co., Ltd.	Financial assistance	929,728,548.00	Within 1 year	33.06	
Yiwu Handing Shangbo Real Estate Co., Ltd.	Financial assistance	489,990,200.00	Within 1 year	17.42	
Yiwu International Production Material Market Construction Headquarters	Construction commencement deposit	2,400,000.00	Above 3 years	0.09	
Yiwu Power Transmission and Transformation Engineering Co., Ltd.	Guarantee deposit	279,365.00	Within 1 year	0.01	
Total	/	2,794,398,113.00	/	99.37	

**(13). Receivables involving government grants**

Applicable Not applicable

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

Applicable Not applicable

**(15). 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 subsidiary	3,872,595,391.43	570,000,000.00	3,302,595,391.43	3,727,825,391.43	570,000,000.00	3,157,825,391.43
Investment in associates and joint ventures	4,342,527,848.74	-	4,342,527,848.74	2,925,310,036.59	-	2,925,310,036.59
Total	8,215,123,240.17	570,000,000.00	7,645,123,240.17	6,653,135,428.02	570,000,000.00	6,083,135,428.02

**(1) Investment in subsidiary**

Applicable Not applicable

Unit: RMB

Investee	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Current provision for impairment	Closing balance of impairment provision
Yiwu China Commodities City Supply Chain Management Co., Ltd.	55,255.03			55,255.03		
Yiwu China Commodities City Import and Export Co., Ltd.	50,073,398.48	50,000,000.00		100,073,398.48		
Yiwu China Commodities City Tourism Development Co., Ltd.	100,024,741.06			100,024,741.06		
Yiwu China Commodities City Overseas Investment and Development Co., Ltd.	100,041,073.44			100,041,073.44		
Yiwu China Commodities City Commerce and Trade Service Training Center Co., Ltd.	100,000.00			100,000.00		
Zhejiang Yindu Hotel Management Co., Ltd.	1,570,540.29	1,330,000.00		2,900,540.29		

Yiwu China Commodities City Big Data Co., Ltd.	81,502,780.94	18,550,000.00		100,052,780.94		
Yiwu Global Yida Logistics Co., Ltd.	21,442.25			21,442.25		
Yiwu Comprehensive Bonded Zone Operation and Management Co., Ltd.	6,014,844.64	5,800,000.00		11,814,844.64		
Yiwu China Commodities City Research Institute Co., Ltd.	1,124,741.06	2,150,000.00		3,274,741.06		
Zhejiang Huajie Investment and Development Co., Ltd.	53,121,810.63	6,300,000.00		59,421,810.63		
Yiwu International Trade Comprehensive Service Co., Ltd.	6,597.62			6,597.62		
Yiwu China Commodities City Assets Operation and Management Co., Ltd.	5,119,278.43	4,920,000.00		10,039,278.43		
Yiwu China Commodities City Exhibition Co., Ltd.	18,044,533.91			18,044,533.91		
Yiwu China Commodities City Advertising Co., Ltd.	9,411,856.11			9,411,856.11		
Hangzhou Shangbo Nanxing Property Co., Ltd.	50,000,000.00			50,000,000.00		
Yiwu Commodities City Gonglian Property Co., Ltd.	200,000,000.00			200,000,000.00		
Yiwu Shangbo Property Co., Ltd.	300,000,000.00			300,000,000.00		
Yiwu China Commodities City Information Technology Co., Ltd.	200,603,896.42			200,603,896.42		
Yiwu China Commodities City Payment Network Technology Co., Ltd.	3,298.81			3,298.81		
Yiwu China Commodities City Credit Investigation Co., Ltd.	22,266.95			22,266.95		
Yiwu China Commodities City Logistics and Distribution Co., Ltd.	23,449,689.27	15,720,000.00		39,169,689.27		
Haicheng Yiwu China Commodities City Investment Development Co.,	43,709.21			43,709.21		570,000,000

Ltd.					
Yiwu China Commodities City Financial Holdings Co., Ltd.	1,957,469,636.88	40,000,000.00		1,997,469,636.88	
Total	3,157,825,391.43	144,770,000.00		3,302,595,391.43	570,000,000

**(2) Investment in associates and joint ventures**

√Applicable □Not applicable

Unit: RMB

Investment Unit	Opening amount Balance	Change in the current period			Closing amount Balance
		Additional investment	Reduced investment	Investment gains or losses recognized with the equity method	
1. Joint ventures					
Yiwu Shanglv Investment Development Co., Ltd.	365,830,756.92			12,789,131.55	378,619,888.47
Yiwu Rongshang Property Co., Ltd.	22,319,075.64			-1,407,757.91	20,911,317.73
Yiwu Chuangcheng Property Co., Ltd.	11,444,786.74			-2,699,662.50	8,745,124.24
Others	8,713,045.31	17,850,000.00		-999,717.25	25,563,328.06
Subtotal	408,307,664.61	17,850,000.00		7,681,993.89	433,839,658.50
2. Associates					
Binjiang Shangbo	154,152,267.42		98,000,000.00	20,772,839.91	76,925,107.33
Huishang Micro-finance	71,396,566.07			-1,784,080.98	69,612,485.09
Chouzhou Financial Lease	371,320,662.02			29,458,129.47	400,778,791.49
Pujiang Lvgu Property Co., Ltd.	370,318,840.77			117,772,150.42	488,090,991.19
CCCP	1,500,517,785.02	1,225,000,000.00		68,512,883.02	2,794,030,668.04
Others	49,296,250.70	30,000,000.00		-46,103.60	79,250,147.10
Subtotal	2,517,002,372.00	1,255,000,000.00	98,000,000.00	234,685,818.24	3,908,688,190.24
Total	2,925,310,036.61	1,272,850,000.00	98,000,000.00	242,367,812.13	4,342,527,848.74

Other notes:

□Applicable √Not applicable

**4. Revenue and cost of sales****(1). Overview of revenue and cost of sales**

√Applicable □Not applicable

Unit: RMB

Item	Amount in the current period		Amount in the previous period	
	Incomes	Costs	Incomes	Costs
Main business	1,381,597,109.86	380,762,791.32	1,259,705,715.29	391,267,375.06
Other businesses	206,449,135.92	48,328,145.43	403,256,371.61	26,416,255.20
Total	1,588,046,245.78	429,090,936.75	1,662,962,086.90	417,683,630.26

## (2). Incomes from contracts

√Applicable □Not applicable

Unit: RMB

Classified by type of contract	Total
Types of goods	
The use of commercial spaces in the Commodity City and its supporting services	1,385,613,008.44
Hotel accommodation and catering services	63,369,848.47
Royalty income	60,891,687.05
Other services	8,167,489.86
Classified by business area	
China mainland	1,518,042,033.82
Classified by contract period	
Revenue confirmed at certain time point	
Hotel catering services	42,497,500.87
Other services	2,795,012.09
Revenue confirmed during certain time period	
The use of commercial spaces in the Commodity City and its supporting services	1,385,613,008.44
Hotel accommodation service	20,872,347.60
Royalty income	60,891,687.05
Other services	5,372,477.77
Total	1,518,042,033.82

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 commercial spaces in the Commodity City and its supporting services	1,342,225,022.87
Hotel accommodation service	9,242,614.59
Total	1,351,467,637.46

## (3). Contract performance obligations

√Applicable □Not applicable

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

### The use of commercial spaces in the Commodity City and its supporting services

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

#### Hotel accommodation business

The performance obligation is fulfilled when providing hotel accommodation services. For the hotel accommodation business, the progress of contractual performance is determined based on the number of days of stay. For hotel accommodation services, a partial deposit is collected from the customer first, and the remaining contract price is usually collected upon the completion of the hotel accommodation services.

#### Hotel catering business

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

#### Fixed -time paid funding services

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

#### (4). Amortization to remaining contract performance obligations

Applicable Not applicable

Other notes:

On June 30, 2021, the transaction price allocated to the remaining performance obligations was RMB 1,919,954,541.32. The Group expects that this amount will be recognized as an income in the coming 5 years with the progress of relevant service provision.

#### 5. Investment income

Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Long-term equity investment income under the equity method	242,367,812.14	22,242,937.96
Investment income from disposal of held-for-trading financial assets	42,837.72	21,130,827.03
Total	242,410,649.86	43,373,764.99

Other notes:

None



**6. Others**

□Applicable √Not applicable

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

√Applicable □Not applicable

Unit: RMB

Item	Amount	Explanation
Gain or loss from the disposal of non-current assets	-630,703.53	
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	8,679,086.10	The main reasons include that, the value-added tax deductible input tax for taxpayers of production and living services plus 100% was used to deduct tax payable for RMB 2.8458 million, the special incentive fund for modern supply chain system innovation for 2020 was RMB 2.6827 million, the opening-up promotion reward from for 2020 was RMB 960,700, the subsidy for pilot counties in service industry for 2020 was RMB 500,000, the interest subsidy for funding of the construction of the International Expo Center was RMB 577,400, and the reward for general trading companies was RMB 336,200, and so on.
Cash occupation fees charged from non-financial enterprises that are recognized in the current profit or loss	50,288,507.85	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	1,171,429.82	Mainly changes in the fair value of held-for-trading assets

other debt instruments, except for effective hedging during the ordinary course of business		
Net income from other non-operating activities	955,973.37	
Effect of income tax	-14,839,076.88	
Effect of minority interest	-91,655.24	
Total	45,533,561.49	

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

Applicable Not applicable

## 2. ROE and EPS

Applicable Not applicable

Profits in the reporting period	Weighted average ROE (%)	EPS	
		Basic earnings per share	Diluted earnings per share
Net profits attributable to common shareholders of the Company	6.09	0.16	0.15
Net profits attributable to common shareholders of the Company after deducting non-recurring gains and losses	5.77	0.15	0.15

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

Applicable Not applicable

## 4. Others

Applicable Not applicable

Chairman of the Board of Directors: ZHAO Wenge

Date of approving by the Board of Directors for release: August 9, 2021

## Amendment

Applicable Not applicable