

Stock Code: 600415

Stock short name: 小商品城

**Zhejiang China Commodities City Group  
Co., Ltd.  
2023 Annual Report**

## Important Note

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

Based on the total share capital on the equity registration date for the 2023 profit distribution, a cash dividend of RMB 2.00 (including tax) will be distributed for every 10 shares. Based on the total share capital of the Company at the end of 2023, a total of RMB 1,096,866,835.20 (including tax) in cash dividends will be distributed. If there is a change in the total share capital of the Company before the equity registration date for equity distribution, it is proposed to maintain the per share distribution plan unchanged and adjust the total distribution amount accordingly.

### VI. Risk statement with forward-looking representations

Applicable Not applicable

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

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

No

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

No

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

No

**X. Reminder of major risks**

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

**XI. Others**

Applicable Not applicable

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Documents for Inspection	Accounting statements with the signatures and stamps of the person incharge of the Company, person in charge of accounting and person in charge of the accounting body.
	The original audit report with the seal of the accounting firm and the signature and seal of the certified public accountant
	The originals of all company documents and announcements publicly disclosed during the reporting period

## Section I. Definitions

### I. Definitions

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

Definitions		
SCO	means	Yiwu State-owned Capital Operation Co., Ltd.
MDG	means	Yiwu Market Development Group Co., Ltd.
CCCH	means	Yiwu China Commodities City Holdings Limited
Zhijie Yuangang	means	Zhejiang Zhijie Yuangang International Supply Chain Technology Co., Ltd.
CCCP	means	Yiwu China Commodities City Property Development Co., Ltd.
CCCF	means	Yiwu China Commodities City Financial Holdings Co., Ltd.
Huishang Micro-finance	means	Yiwu Huishang Micro-finance Co., Ltd.
Haicheng Company	means	Haicheng Yiwu China Commodities City Investment Development Co., Ltd.
Yiwu Shanglv	means	Yiwu Shanglv Investment Development Co., Ltd.
Chouzhou Financial Lease	means	Zhejiang Chouzhou Financial Lease Co., Ltd.
Yiwu Shangbo	means	Yiwu Shangbo Yuncang Enterprise Management Co., Ltd.
Handing Shangbo	means	Yiwu Handing Shangbo Real Estate Co., Ltd.
Kuaijietong	means	Kuaijietong Payment Service Co., Ltd.
Yiwu Pay	means	Kuaijietong Payment Company's payment brand
The Company, the Listed Company, the Group, the Group Company	means	Zhejiang China Commodities City Group Co., Ltd.

## Section II. Company Profile and Financial Highlights

### I. Company profile

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

### II. Contact information

	Board Secretary	Securities Affairs Representative
Name	XU Hang	RAO Yangjin
Address	YIWU CCC Group Building, No. 567 Yinhai Road, Yiwu City	YIWU CCC Group Building, No. 567 Yinhai Road, Yiwu City
Telephone	0579-85182812	0579-85182812
Fax	0579-85197755	0579-85197755
Email	Hxu@cccgroup.com.cn	Hxu@cccgroup.com.cn

### III. Basic Information

Registered address	567 Yinhai Road, Futian Sub-district, Yiwu City, Jinhua City, Zhejiang Province
Historical changes in the registered address of the Company	When the Company was established, its registered address was Haiyang Business Building, No. 105 Futian Road, Yiwu City; In January 2024, the registered address of the Company was changed to No. 567 Yinhai Road, Futian Sub-district, Yiwu City, Jinhua City, Zhejiang Province.
Office address	YIWU CCC Group Building, No. 567 Yinhai Road, Yiwu City
Postal code at the office address	322000
Corporate website	www.cccgroup.com.cn
Email	600415@cccgroup.com.cn

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

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

### V. Stock profile

Stock profile				
Type of stock	Exchange	Stock short name	Stock code	Stock short name before change
A share	Shanghai Stock Exchange	小商品城	600415	No

### VI. Other relevant information

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

	Name of the Signing Certified Public Accountants	TAN Chaohui and LING Yuehan
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## VII. Major accounting data and financial indicators in the past three years

### (i) Major accounting data

Unit: RMB

Major accounting data	2023	2022	YoY change (%)	2021
Operating revenue	11,299,686,665.89	7,619,693,742.60	48.30	6,033,842,972.95
Net profits attributable to shareholders of the Listed Company	2,676,182,133.26	1,104,719,091.71	142.25	1,334,095,906.95
Net profits attributable to shareholders of the Listed Company with non-recurring items excluded	2,468,685,982.43	1,765,087,553.23	39.86	1,221,808,001.15
Net cash flow from operating activities	1,845,059,849.92	1,400,090,713.77	31.78	2,033,082,507.76
	At the end of 2023	At the end of 2022	YoY change (%)	At the end of 2021
Net assets attributable to shareholders of the Listed Company	17,688,393,818.20	15,262,290,780.57	15.90	14,610,845,868.33
Total assets	36,218,947,223.63	32,111,004,317.38	12.79	31,014,635,513.35

### (ii) Major financial indicators

Major financial indicators	2023	2022	YoY change (%)	2021
Basic EPS (RMB)	0.49	0.20	145.00	0.25
Diluted EPS (RMB)	0.49	0.20	145.00	0.25
Basic EPS after deducting non-recurring gains and losses (RMB/share)	0.45	0.32	40.63	0.22
Weighted average ROE (%)	16.06	7.30	Up 8.76 ppt	9.38
Weighted average ROE after deducting non-recurring gains and losses (%)	14.82	11.67	Up 3.15 ppt	8.59

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

√Applicable □Not applicable

- The operating revenue increased by RMB 3.68 billion YoY, mainly due to the opening of the Second District East New Energy Product Market, the rent reduction in the previous year, and the YoY expansion of product sales scale.**
- The net profit attributable to shareholders of the Listed Company increased by RMB 1.571 billion YoY, mainly due to the YoY increase in market operating profit, trade performance service business profit, and investment income.**

- 3. The net profit attributable to shareholders of the Listed Company after deduction of non-recurring gains and losses increased by RMB 704 million YoY, mainly due to the increase of RMB 1.571 billion in net profits attributable to shareholders of the Listed Company and the increase of RMB 868 million in non-recurring gains and losses YoY.**
- 4. The net flow generated by operating activities increased by RMB 445 million YoY, mainly due to the increase of RMB 665 million YoY in the net cash received after deduction of payment for sales of goods and provision of service and the decrease of RMB 278 million YoY in the tax refund received.**

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

**IX. Key financial indicators by quarter in 2023**

Unit: RMB

	1st Quarter (Jan- Mar)	2nd Quarter (Apr-Jun)	3rd Quarter (Jul-Sep)	4th Quarter (Oct-Dec)
Operating revenue	2,120,334,936.46	3,040,656,106.79	2,744,623,047.19	3,394,072,575.45
Net profits attributable to shareholders of the Listed Company	1,222,157,366.22	776,176,280.52	318,326,143.58	359,522,342.94
Net profit attributable to shareholders of the Listed Company after deducting non-recurring gains and losses	1,079,552,858.79	759,812,965.88	311,561,626.90	317,758,530.86
Net cash flow from operating activities	-310,531,782.92	453,778,978.70	229,217,122.95	1,472,595,531.19

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

Applicable Not applicable

**X. Non-recurring items and amounts thereof**

√Applicable □Not applicable

Unit: RMB

Non-recurring items	Amount for 2023	Remark (if applicable)	Amount for 2022	Amount for 2021
Non-current asset disposal gains and losses, including the offsetting portion of the provision for impairment of assets	139,113,943.98		-1,130,587.34	-561,416.89
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 provided in a fixed amount or quantity and that have a continuous impact on the Company's gains and losses according to the national policies and certain standards	32,404,875.29		38,802,436.81	23,559,898.01
Except for effective hedging business related to the normal operation of the Company, the fair value gains and losses arising from the holding of financial assets and financial liabilities by non-financial enterprises, as well as the gains and losses arising from the disposal of financial assets and financial liabilities	-51,087,595.90	Mainly due to gains or losses arising from the change in fair value	166,489.60	7,298,587.58
Cash occupation fees charged from non-financial enterprises that are recognized in the current profit or loss	18,907,795.24	Cash occupation fee for receiving financial aid	52,315,023.80	107,299,598.45
Profits and losses arising from external entrusted loans	2,525,847.12		79,561.64	-
Net income from other non-operating activities	6,365,155.41		3,244,125.63	3,504,923.76
Other profit and loss items that meet the definition of non-recurring profit and loss	121,465,746.29	Mainly due to the reversal of expected liabilities for letter of credit litigation	-975,086,670.50	1,604,200.49
Less: effect of income tax	60,306,979.87		-223,084,975.36	28,698,936.71
Effect of minority interest (after-tax)	1,892,636.73		1,843,816.52	1,718,948.89
Total	207,496,150.83		-660,368,461.52	112,287,905.80

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

the Explanatory Announcement No. 1 on Information Disclosure by Companies Publicly Offering Securities – Non-recurring Items as recurring items.  
Applicable Not applicable

**XI. Items measured at fair value**

√Applicable □Not applicable

Unit: RMB 10,000

Item	Opening balance	Closing balance	Changes for the current period	Amount of impact on current profits
Held-for-trading financial assets	6,233.10	1,513.09	-4,720.01	404.25
Other equity instruments investment	49,920.08	55,689.74	5,769.66	376.28
Other non-current financial assets	150,030.76	142,156.99	-7,873.77	-3,983.94
Total	206,183.94	199,359.82	-6,824.12	-3,203.41

**XII. Other**

□Applicable √Not applicable

## Section III. Discussion and analysis of managers

### I. Discussion and analysis of operation

2023 marked the 30th anniversary of the Company's establishment. All cadres and employees have united and worked hard to advance various tasks to a new level. The Company's revenue and profits reached historic highs, and its market operation steadily improved. Its core competitiveness has been continuously enhanced, and new businesses have rapidly emerged. The Company has entered a new stage of development.

#### (i) Market operation

##### 1. Dynamic adjustment of rent

In the current economic environment, the rationality of the rental price system is crucial for the healthy development of the market. In order to better adapt to market changes and promote balanced development of various industries, the Company has established an industry evaluation system based on the Yiwu Index. This system constructs a differentiated pricing model for shop rental prices by introducing indicators such as China's GDP growth rate, fluctuations in market-oriented rental prices, market prosperity index, market commodity price index, industry prosperity index, and block prosperity index.

According to the pricing model mentioned above, the Company adjusted the rent of the market's due shops at the end of the reporting period, with an average rent increase of 5.5%. It is expected that the growth rate will not be less than 5% in the next three years.

The implementation of the rent differentiated pricing model will help balance the competitive environment within the market and provide merchants with a more fair and transparent business environment. This not only helps to enhance the overall competitiveness of the market, but also promotes the effective allocation of resources and the sustainable development of the industry, laying a solid foundation for the long-term prosperity and stability of the Yiwu market.

##### 2. Construction of digital market

During the reporting period, the Second District East New Energy Market opened with an additional construction area of 131,000 square meters, and more than 650 new shops were added on the first to third floors. The investment positioning for the third floor was completed in December. Therefore, the offline market further expanded. The construction of the digital market model in the Second District East of the International Trade City was accelerating, and a new market trade scenario with online and on-site integration and cloud-network linkage was preliminarily taking shape. As of the end of December, digital tools such as business advisors, electronic business cards, and event calendars were launched; iterative optimization of digital software and hardware service functions such as AI interactive screens, digital market mini programs, and passenger flow analysis systems were completed. The construction of the Global Digital Trade Center, a landmark project in the sixth-generation market, was accelerating with

increased efficiency, exploring the construction of an innovative ecosystem for digital trade, and creating a new model for the future digital commodity market.



**(Figure 1. Aerial View of Second District East New Energy Product Market)**

### **(ii) Online platform**

Since its launch in October 2020, the Chinagoods platform has had over 10 million products uploaded and over 4.09 million buyers registered. It has also launched and operated six national websites, including Spain, Dubai, and Colombia. In 2023, the online trade volume of services exceeded RMB 65 billion, and a comprehensive international trade service system of "digitalization of traditional markets+ digitalization of trade performance" has been preliminarily formed.

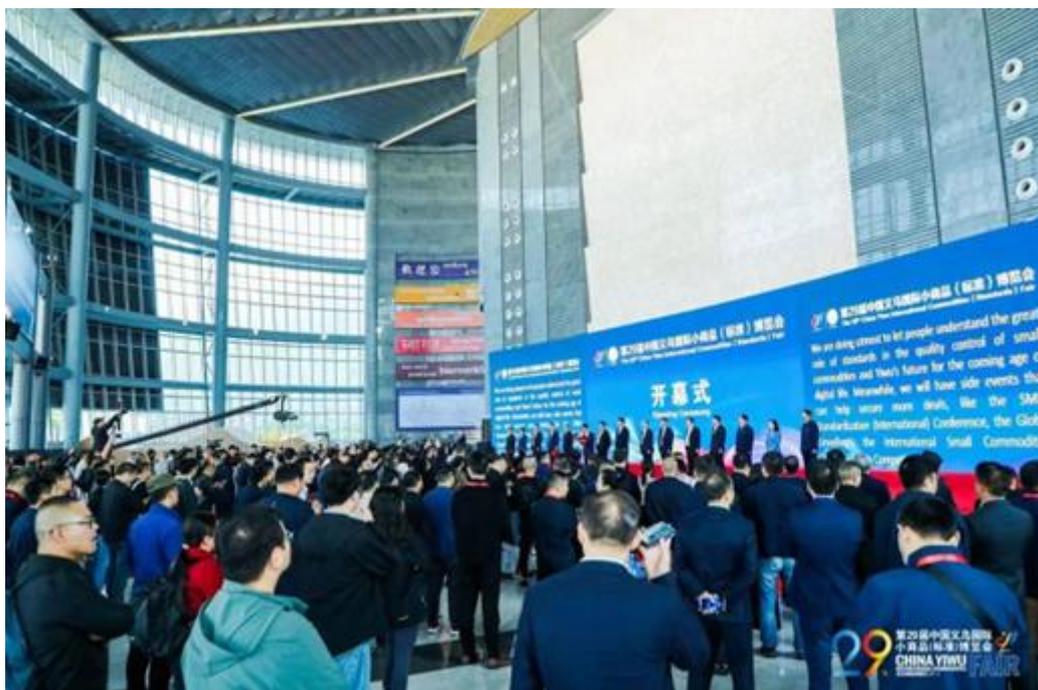
1. Launched the homepage and service section of the fourth party service platform, with a total of 169 third-party service products launched; At the same time, relying on digital technology and platform channels, we assisted merchants in precise positioning, customer flow attraction, and operation, and worked together with top platforms such as 1688.com, Baidu, and JD.com to build a fourth party service platform.

2. The AI project has launched Xiaoshang AI, digital human, AI intelligent product release, intelligent image matting, and has received widespread praise from market merchants. As of the end of December, the multilingual digital Lady Boss function covered over 3300 merchants, and has been recorded and reported by more than 20 official media outlets, including CCTV, Global Times, People's Daily, Xuexi Qiangguo, Zhejiang TV, Jinhua Daily, and Yiwu Publishing.

### **(iii) Exhibition**

The Company focused on the dual empowerment of the market and exhibitions, integrating domestic and overseas, online and on-site exhibitions, and achieved significant results in exhibition venue linkage. As of the end of December, 52 domestic exhibitions such as the China

Yiwu International Commodities Fair, China Yiwu Cultural and Tourism Products Trade Fair, and Gift Exhibition were held, attracting over 1.74 million buyers; the Company organized enterprises to go abroad to Thailand, Indonesia, Japan, Russia, Spain, Germany and other countries to expand their markets, participating in 18 overseas exhibitions and economic and trade activities, with over 100 enterprise participants; 44 events were held, including Market Trips, industry vertical exhibitions, procurement fairs, and new product launches, attracting over 1.7 million buyers in total. The 29th China Yiwu International Commodities Fair had 2400 participating companies, 3,800 international standard booths, and an exhibition area of 100,000 square meters. A total of 160,600 professional buyers attended the exhibition, including 16,500 overseas buyers, with a record high attendance.



**(Figure 2. Opening Ceremony of the 29th China Yiwu International Commodities Fair)**

#### **(iv) Hotels**

In 2023, the hotel business line (including entrusted hotels) achieved a revenue of over RMB 400 million, reaching a historic high. The Company also achieved interoperability between the Chinagooods platform and the hotel membership system, and collaborated with the Big Data Company and Yiwu Pay to carry out digital marketing activities; The New Yandoo Circle Member Platform optimized functions such as point management, self selection of benefits, and personalized customization, with 15,000 new members in this year; The Company upgraded the unified procurement platform and promoted the sharing and integration of centralized procurement information. The Company's hotels have successfully completed important reception tasks such as the Hangzhou Asian Games and the World Urban and Rural Organization Conference, fully showcasing the image of the Yiwu hotel industry and building a reputation for the Yandoo Hotel Management brand; Starting from scratch and continuously

breaking through, "Fingertip Canteen" has achieved full coverage of Districts 1-5 of the International Trade City and the new headquarters building of the Group. The self-created coffee brand Yandoo was gradually gaining popularity.



**(Figure 3. A corner of Fingertip Canteen)**

#### **(v) Trade performance**

Zhijie Yuangang strengthened its business operations, connects domestic export consolidation, multimodal transportation, overseas warehouses and other businesses, and has initially built a digital cross-border logistics third-party delivery platform to provide "end-to-end" full chain digital supply chain solutions for trading entities. As of the end of December, digital logistics service products such as "Jihepai" and "Xiaokepai" were launched, with a total shipment volume of over 45,000 TEUs. The first "Yiwu China Commodities City - RCEP Silk Road Express" route has been launched and put into operation.

#### **(vi) Digital payment (Yiwu Pay)**

During the reporting period, the Payment Company mainly carried out the following businesses:

##### **(1) Application for qualification license**

Kuaijietong obtained the public announcement of the renewal of the Payment Business License from the People's Bank of China on July 5, 2023, and completed the license renewal work on time, with a validity period of 5 years; On November 1st, it officially obtained the approval of the State Administration of Foreign Exchange for the foreign exchange business qualification license of payment institutions.

##### **(2) Domestic payment business**

The Payment Company further integrated into the Group's business scenarios and provided personalized payment and settlement services for the Chinagoods platform, market, supply chain, factoring, warehousing, logistics, hotels, Fingertip Canteen, and other Yiwu CCC ecosystems.

### (3) E-CNY business

Relying on the Group's ecosystem, it carried out a special digital currency activity and launched an innovative model of e-CNY one-currency settlement, completing the docking with Bank of China's e-CNY umbrella account system. In November, the Payment Company officially signed "E-CNY Cross-border Business Strategic Cooperation Agreement" with Bank of China, which provides comprehensive services such as B2B e-CNY cross-border fund circulation. It is the earliest cross-border application of e-CNY in the B2B field in China.

### (4) Cross-border RMB business

As of December 31, a total of over 20,000 cross-border RMB accounts were opened, with a new transaction volume of over RMB 8.5 billion for cross-border RMB payment services. The Company cooperated with hundreds of major banks worldwide, covering more than 150 countries and regions across five continents, and can support over 25 currencies, with 16 currencies received. All transactions have not involved any risk dispute funds, and there have been no frozen card incidents, providing a solid financial infrastructure guarantee for business owners to smoothly go overseas.

## Yiwu Pay has become a major force in global payment service



(Figure 4. Partial operating data of Yiwu Pay)

### (vii) Yiwu Market Project

During the reporting period, the Yiwu China Commodities City's "Yiwu Market Project" strategy was released, and a combination of "overseas sub-markets, overseas warehouses, overseas websites, Yiwu Selection overseas exhibition halls, and overseas exhibitions" was established to promote small commodities to reach big markets.

1. Yiwu Market's overseas sub-market extension layout: sorting out the standard models for franchise export in overseas sub-markets, focusing on research and planning to establish overseas new small commodities trade centers in cities such as Jakarta in Indonesia, Cairo in Egypt, and Jeddah in Saudi Arabia.

2. The Company steadily promoted FBC overseas warehouses of China Commodities City: Completed 5 FBC warehouses in Czech Republic, Malaysia, Mexico, etc., with a storage area of over 100,000 square meters and serving over 500 enterprises; Introduced trade factoring business in FBC warehouse in Malaysia.

3. The Company accelerated implementation of Yiwu Selection overseas exhibition halls: Completed optimization and addition of 5 Yiwu Selection overseas exhibition halls, including Tokyo, Japan, Dubai, UAE, and São Paulo, Brazil. Currently, there are a total of 12 Yiwu Selection overseas exhibition halls, with more than 500 merchants organized to participate in overseas trade fairs, and over 10,000 SKUs of Yiwu small commodities entering Yiwu Selection overseas exhibition halls.

4. The momentum of Yiwu Fair overseas exhibitions was gradually rising: 6 Yiwu Fair overseas exhibitions have been held in Russia, Indonesia, South Korea, and other countries, attracting more than 200 companies to participate, with a total exhibition area of over 10,000 square meters.

5. Chinagoods Overseas Websites – Going Overseas Digitally: It completed the launch of six national websites of Spain, Saudi Arabia, and Colombia among others, and achieved the display and release of 700,000 products from 32,000 merchants to overseas buyers.

During the reporting period, the Company cooperated with three well-known local e-commerce platforms, Egatee in Africa, Aucfan in Japan, and G&G Commerce in South Korea, as well as the Cairo Aviation City Special Economic Zone in Egypt, and signed strategic cooperation agreements with them, gradually implementing Yiwu Market Project.



(Figure 5. Cases of Yiwu Market Project)

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

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

### (i) Situation of Yiwu market

As a globally renowned small commodity trading center, Yiwu International Trade City has maintained a leading position in the comprehensive market in China for many years due to its huge market transaction volume and wide variety of goods. The Yiwu market has not only formed a strong industrial cluster support in the field of small commodity circulation, but also driven the development of 2.1 million small and medium-sized enterprises and employment of 32 million industrial workers through its influence in 233 countries and regions worldwide.

The significant characteristics of the Yiwu market can be summarized from the following aspects:

1. Active market entities: The Yiwu market is an important practical platform for the concept of "mass entrepreneurship and innovation". It not only drives the development of more than 20 industrial clusters and 2.1 million small and medium-sized enterprises across China, but also attracts over 15,000 resident foreign merchants and nearly 9,000 foreign-owned entities. These numbers make Yiwu an important gathering place for global merchants, known as the "World Supermarket". There are over 200,000 market practitioners, 75,000 operating shops, and a total of over 1 million market entities.

2. Wide range of goods: As the world's largest small commodity distribution center, Yiwu market gathers 26 major categories and 2.1 million types of products, forming an "ocean of small commodities and paradise for shoppers". More than ten thousand new products are launched every day, and the quality, brand and standard of small commodities are exported to the world, becoming the representative of "China-chic trend" and "supply place for bestselling goods".

3. Innovative business scenarios: The Yiwu market is an important birthplace of innovation in trade business scenarios. The pioneering market procurement trade method (with a customs supervision method code of "1039") has driven a 6.6-fold growth in Yiwu's foreign trade exports in the past decade and has been promoted to 39 pilot units in China. New business forms such as import transshipment, internet celebrity live streaming, and cross-border e-commerce are constantly emerging, forming an e-commerce ecosystem for the full industry chain. The integration and development of the real economy and digital economy have enabled Yiwu to continue to lead the new trend of global trade.

4. High-quality trade ecology: Yiwu market is the preferred place for merchants and enterprises to trade small commodities. Since the pilot of the comprehensive reform of international trade, Yiwu has formed multiple national level open platforms, including the Free Trade Zone, Comprehensive Bonded Zone, Cross-border E-commerce Comprehensive Pilot Zone, and Import Trade Promotion Innovation Demonstration Zone. The logistics network has

covered over 1,500 counties and cities across China and over 700 hub cities worldwide. Government, business, and life services are in line with international standards, providing comprehensive "customs, taxation, currency exchange, transportation, warehousing and financing" services, with continuously optimized the business environment.

The Yiwu market, as a key platform connecting domestic and international trade supply chains, occupies a core position in the global small commodity supply chain and plays a crucial role in promoting internal circulation, enhancing external circulation, and serving the new development pattern of "dual circulation". As a leader and demonstration site of national market procurement trade method, Yiwu has maintained high-speed growth for 8 consecutive years, effectively stimulating the vitality of market entities and further improving the level of trade facilitation.

In 2023, the total import and export value of Yiwu City reached RMB 566.05 billion, up 18.2% YoY. Among them, exports exceeded the RMB 500 billion mark for the first time, reaching RMB 500.57 billion, a YoY increase of 16.0%, setting a record high; the import value was RMB 65.48 billion, a YoY increase of 38.8%. Yiwu continuously gathers new momentum in foreign trade by exploring emerging markets, building high-level open platforms, and cultivating and strengthening advantageous industries. In terms of trade regions, in 2023, the combined import and export values of Yiwu with Africa and Latin America was RMB 104.90 billion and RMB 89.76 billion, respectively, with YoY increases of 24.9% and 25.4%, respectively. The import and export values of Yiwu with India and Saudi Arabia were RMB 30.42 billion and RMB 14.13 billion, respectively, with YoY increases of 24.7% and 38.4%, respectively. In the same period, the total import and export value of Yiwu with the countries under the "Belt and Road" initiative reached RMB 349.71 billion, up 19.5% YoY, accounting for 61.8% of the total import and export value of Yiwu City in the same period, and the contribution rate to the import and export growth of Yiwu City reached 11.9 percentage points.

In 2023, Yiwu City achieved an export value of RMB 388.37 billion through market procurement trade, a YoY increase of 19.0%, accounting for 77.6% of Yiwu City's total export value. The Company integrates market resources through digital means, connects various links in the supply chain, improves the efficiency of commodity circulation, and promotes the iterative upgrade of market procurement trade method to Version 2.0. of market procurement trade method has become the main force driving the growth of Yiwu's exports. In terms of regional trade, Southeast Asia, the Middle East and Latin America continue to occupy a high market share in the trade with Yiwu. Countries in the "Belt and Road" initiative and the RCEP region continue to bring new opportunities to the Yiwu market. "AI Going Overseas" and "RMB Going Overseas" have become new highlights of the Yiwu market.

During the reporting period, the Yiwu market showed strong vitality. The total number of market operating entities reached 1.0546 million, an increase of 17.4%, with a new establishment of 258,000 entities, accounting for one seventh of that of Zhejiang Province. The

total number of E-commerce entities exceeded 600,000, accounting for one-third of that of Zhejiang Province. The daily average customer flow of the International Trade City exceeded 200,000, and the number of foreign resident merchants in Yiwu increased to 21,000. More than 400,000 people came to Yiwu for the first time, and the number of college students who came to Yiwu for the first time reached 46,500, both reaching record highs.

In addition, the "direct loading upon arrival" mode launched by Yiwu-Ningbo-Zhoushan Sea-railway Combined Transportation allows enterprises to flexibly arrange the loading and delivery of goods from the warehouse area based on their own production plans and dock appointments, following the process of "early declaration, release upon arrival, and direct loading upon arrival," greatly improving the clearance efficiency. The express delivery business volume reached 10.58 billion pieces, a YoY increase of 13.8%, accounting for one twelfth of the total in China.

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

#### **(i) Main business of the Company**

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

The commodity display and trading ecosystem includes on-site market operation and self-operated trade product sales, supporting service ecosystem includes exhibition and hotel sectors, and trade service ecosystem includes Chinagoods online service platform, warehousing logistics and payment, credit reporting, factoring and other businesses.

#### **(ii) The main business model of the Company**

##### **1. Commodity display and trading ecosystem**

###### **(1) Market operation**

The market operation business is mainly operated and managed by the subordinate market operation companies of the Company. The main business revenue of the market operation sector is mainly the revenue from shop usage fees, which refer to the fees charged by the Company for providing shop leasing and operation services to merchants.

The Company adopts a shop rental model, where the ownership of the shop belongs to the Company, and merchants only have the right to use the shop during the contract period, while enjoying the market operation services provided by the Company. The Company signs a contract with the merchant to clearly specify the usage period, usage fee, and business purpose of the shop. The merchant shall not change the agreed business purpose, and shall not sublet or

transfer without the consent of the Company. Generally, the payment methods of usage fee are one-time payment or installment payment according to the contract terms.

In 2023, the Company restructured the rental price system for shops, implement differentiated pricing based on industry prosperity and other indicators, and guide the healthy development of the industry. At present, the markets operated by the Company include the first to fifth district markets, the import market, the first district eastern expansion and second district east market, the Huangyuan market, and the international production materials market of the International Trade City.

## (2) Self-operated trade

ICMALL is the initials of International Commodity Mall, which is a subsidiary of the well-known Chinese trademark "Yiwu China Small Commodities City". "爱喜猫" is the Chinese transliteration of ICMALL. With the brand vision of "discovering the best products in the world", ICMALL combines over 20,000 high-quality products from imported goods and trendy domestic products, covering six categories: home life, beauty and skincare, mother and baby products, snacks and beverages, entertainment and cultural creativity, and toy digital. ICMALL strives to create a super supply chain channel brand in new fashion, new consumption, and new experience application scenarios.

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

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

## 2. Supporting services ecosystem

### (1) Exhibition

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

## (2) Hotels

The hotel service business is mainly operated and managed by the Company's subsidiary Zhejiang Yandoo Hotel Management Company. There are currently 7 star-rated hotels, 1 high-end homestay, and two catering brands, Fingertip Canteen and Yandoo Cafe. The Company's hotels mainly provide comprehensive services such as accommodation, catering, leisure and entertainment, and conferences. The hotel's main revenue includes room sales, catering sales, commodity sales, and venue leasing. Sales of guest rooms and catering mainly rely on channels such as contractual clients, conferences, wedding banquets and recommendation by operators of online booking platforms.

## 3. Trade services ecosystem

### (1) Online service platform

The Yiwu China Commodities City platform (referred to as the "Chinagoods platform") is a B2B digital trade comprehensive service platform that relies on the Company's 75,000 physical shop resources in the market, serving 2.1 million small and medium-sized enterprises in the upstream and downstream of the industrial chain. It is driven by trade data integration and connects with the needs of both supply and demand sides. The current revenue model of the platform is to collect service fees by providing basic services and value-added services for members, digital advertising business services, digital services for financial institutions, and fourth-party services.

### (2) Warehousing and logistics

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

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

The Company's "Yiwu Pay" is a licensed third-party payment institution supervised by the People's Bank of China, providing convenient and secure electronic payment solutions for merchants through internet payment technology. Yiwu Pay was established in 2012. With its professional global payment service capabilities, financial compliance capabilities, and security risk control capabilities, Yiwu Pay provides one-stop cross-border payment solutions for domestic and foreign customers, enabling them to receive payments in compliance, settle

foreign exchange easily, improve fund utilization efficiency, and ensure safe receipt of funds. The Company's business covers various scenarios such as online and on-site B2B payments, cross-border payments, etc. Domestic payment business: As a licensed payment institution, "Yiwu Pay" links major domestic banking institutions through clearing organizations such as UnionPay and NetsUnion Clearing Corporation, providing merchants with collection services such as bank card fast payment, QR code scanning payment, wallet payment, and e-CNY payment, and obtains payment fee. Cross-border payment business: "Yiwu Pay" provides one-stop cross-border fund services such as global collection and payment, foreign exchange management, etc. for import and export enterprises, and obtains cross-border payment fee. Payment service business: "Yiwu Pay" collaborates with the credit consulting company, banks and other institutions to provide merchants with a financing credit model based on payment data as the underlying layer, and the credit reporting company uniformly encapsulates and outputs it to financial institutions such as banks, providing financing services and obtains corresponding service fees.

The credit consulting company was established in July 2014, collaborating with government departments to promote the construction of the city's social credit system. It has established a data system centered on public data, commercial data, and e-commerce data. By constructing precise enterprise portraits, it provides technical support in credit verification, joint rewards and punishments, inclusive finance, and other fields of government and financial institutions, and empowers trade ecological value with data elements. Currently, it covers 1.08 million legal entities, with a total of over 164 million pieces of data. Through the enterprise credit information query platform, the Credit Reporting Company provides financial institutions with enterprise credit information query services and carries out data management for inclusive finance of banks. Currently, there are more than 30,000 credit subjects, with a total credit amount of RMB 9.93 billion. The credit consulting company charges service fees through technology development, system interface docking, and data support based on inclusive finance for banking and insurance institutions.

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

### **3. Chronicles of the 30th anniversary of the Company's establishment**

No.	Time	Key events
1	September 5, 1982	Opening of Yiwu Huqingmen Small Commodities Department Store Market
2	December 6, 1984	Opening of Xinma Road Yiwu Small Commodities Market
3	September 1986	Opening of Yiwu Small Commodities Market on Chengzhong Road
4	February 1992	Opening of Huangyuan Market Phase I
5	August 3, 1992	With the approval of the State Administration for Industry and Commerce, Yiwu Small Commodities Market was officially renamed as the "China Commodities City", Yiwu City, Zhejiang Province
6	October 28, 1994	Opening of Huangyuan Market Phase II
7	May 18, 1995	Opening of the First China Commodities City Famous New Small Commodities Fair
8	1995	The train named "China Commodities City" departed
9	August 1, 1995	Yiwu China Commodities City Chamber of Commerce was established (registered and filed with the Civil Affairs Bureau in August 2008)
10	November 29, 1995	Opening of Binwang Market
11	1996	The China Commodities City Famous New Small Commodities Fair was officially renamed as the China Yiwu Commodities Fair
12	October 1, 1998	Yiwu "China Commodities City" obtained the right of self-operated import and export, which is one of the first professional markets in Zhejiang Province to obtain the right of self-operate import and export
13	October 1, 2002	The China Yiwu Commodities Fair was upgraded to an international exhibition and officially renamed as the China Yiwu International Commodities Fair
14	October 22, 2002	Opening of the First District of Yiwu International Trade City
15	October 22, 2002	Yiwu China Commodities City was awarded the title of "Market valuing quality and keeping promises" by the General Administration of Quality Supervision, Inspection and Quarantine of China
16	October 22, 2004	Opening of the Second District of Yiwu International Trade City
17	2005	The Yiwu market is praised by authoritative institutions such as the United Nations, the World Bank, and Morgan Stanley as the "world's largest wholesale market for small commodities"
18	August 25, 2005	The United Nations Refugee Agency's Yiwu Procurement Information Center settled in Yiwu International Trade City
19	October 22, 2005	Opening of the Third District of Yiwu International Trade City
20	December 22, 2005	Yiwu International Trade City was awarded China's first "National AAAA-level Shopping Tourism Area" by the National Tourism Administration

No.	Time	Key events
21	May 26, 2006	The Yiwu Procurement Information Center of the Supply Department of Foreign Missions of the Ministry of Foreign Affairs unveiled its plaque
22	September 2006	Yiwu China Commodities City was awarded the first honorary title of "Contract Abiding and Creditworthy Unit" by the State Administration for Industry and Commerce of China
23	October 22, 2006	The Yiwu China Small Commodities Index was officially released
24	February 2008	Yiwu China Commodities City was awarded the honorary title of "National Market Credit Classified Supervision Demonstration Market" by the State Administration for Industry and Commerce
25	October 21, 2008	Opening of the Fourth District of Yiwu International Trade City
26	November 1, 2008	The Ministry of Commerce issued and implemented industry standards for the classification and coding of small commodities
27	May 5, 2011	Opening of the Fifth District of Yiwu International Trade City
28	May 5, 2011	Yiwu Imported Commodities Museum was opened, which was renamed "Yiwu China Imported Commodities City" on August 30, 2017
29	May 5, 2011	Opening of Huangyuan Clothing Market
30	November 19, 2013	Opening of the International Production Materials Market
31	November 20, 2014	The trademarks of "Yiwu China Commodities City" and its picture were officially recognized as well-known trademarks by the State Administration for Industry and Commerce
32	July 6, 2015	China Commodities City · Online Commerce Service Area was approved as a "National E-commerce Demonstration Base"
33	March 24, 2016	The Eastern Expansion Market of the First District of Yiwu International Trade City was officially opened
34	September 28, 2016	Opening of Haicheng Yiwu China Commodities City
35	August 2019	The China Yiwu International Commodities Fair was renamed as the China Yiwu International Commodities (Standards) Fair
36	February 18, 2020	Yiwu market was the first to restart operation in China
37	June 30, 2022	Opening of Dubai Yiwu China Commodities City
38	November 25, 2022	The construction of the Global Digital Trade Center was officially started
39	17-MAR-2023	Opening of Yiwu International Trade City Second District East New Energy Product Market
40	September 20, 2023	Xi Jinping, General Secretary of the CPC Central Committee, President of the State and Chairman of the Central Military Commission visited Yiwu International Trade City for investigation.

#### 4. Honors obtained as of the 30th anniversary of the Company's establishment

No.	Name	Awarded by	Photos	Level
1	First in the Top Ten Comprehensive Trading Markets for Industrial Products in China	National Bureau of Statistics, Market Operation Department of the Ministry of Commerce National Business Federation of the Department of Trade and Economic Statistics		National level
2	Key Integrated Domestic and Foreign Trade Commodity Markets Cultivated	Ministry of Commerce of the People's Republic of China		National level
3	National Advanced Grassroots Party Organizations	Central Committee of the CPC		National level
4	China Import Promotion Center	China Council for the Promotion of International Trade China International Chamber of Commerce		National level
5	National Advanced Collective for Comprehensive Governance of Social Security	Ministry of Human Resources and Social Security Central Commission for Comprehensive Control of Law and Order		National level
6	Contract Abiding and Trustworthy Unit	State Administration for Industry and Commerce of the People's Republic of China		National level
7	Valuing Quality and Keeping Promise	General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China		National level
8	National Credit Supervision Demonstration Market	State Administration for Industry and Commerce of the People's Republic of China		National level
9	Zhejiang Province Foreign Trade Innovation and Development Demonstration Unit	Zhejiang Provincial Department of Commerce		Provincial level
10	National Advanced Employment Enterprises	State Council of the PRC		National level
11	National May Fourth Red Flag Youth League Committee	Central Committee of the Communist Youth League		National level

No.	Name	Awarded by	Photos	Level
12	Top Ten Digital Leaders in China's Commodity Market	China Academy of Social Sciences Evaluation and Research Organizing Committee of China Commodity Market Summit		National level
13	Top 100 Chinese Commodity Markets	China Academy of Social Sciences Evaluation and Research Organizing Committee of China Commodity Market Summit		National level
14	Top Ten Transformation Demonstration Markets in Zhejiang Province	Zhejiang Provincial Administration for Industry and Commerce Zhejiang Provincial Market Association		Provincial level
15	Employee Library	All-China Federation of Trade Unions		National level
16	Women's Civilized Post	All-China Women's Federation		National level

#### IV. Analysis of core competencies during the reporting period

√Applicable □Not applicable

##### 1. First-mover advantages

At the start of China's reform and opening-up, Yiwu took the lead in establishing the commodities market. During the recent forty years, the market has been upgraded five times and expanded ten times and has been among the top comprehensive national markets with the highest turnover, pointing to its remarkable first-mover advantages. As the largest commodities distribution center in the world, the Yiwu commodities market provides more than 2.1 million products, which fall in 26 categories and support one-stop purchase. The market boasts enormous resources and huge business flow, goods flow, cash flow and information flow.

##### 2. 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.

##### 3. Supporting services advantages

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

### (1) Convenient logistics system

Yiwu has in place perfect commerce and trade auxiliary facilities and advantageous logistics service. The logistics network has full coverage in Yiwu. A large number of large-sized international and domestic express delivery and logistics companies have regional distribution centers in Yiwu, and a world-oriented goods transport and distribution network has been established. Yiwu has been listed among the “commerce and trade-oriented national logistics hubs” by the National Development and Reform Commission and the Ministry of Transport. According to the 2023 operation status of the postal industry published by the National Postal Administration, the express delivery business volume of Jinhua (Yiwu) in 2023 was 13.694 billion pieces, ranking first in China.

### (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. km has been established, and a benign mechanism under which the Yiwu wholesales market and the peripheral industry cluster develop together has been formed.

### (3) Support from exhibition service

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

## **4. Advantages of diversified businesses**

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

## **5. 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.

## **6. Advantages of online and offline platform integration**

The Company's international trade city is the global leading commodity market. The Company's official Yiwu CCC website, chinagoods platform, relying on the Company's 75,000 off-line shops, through integration of online and offline services, serves 2.1 million small, medium and micro enterprises in the upper reaches of the industry chain. With trade data integration as the core driver, it meets the needs of both supply and demand parties in manufacturing, display transactions, warehousing and logistics, financial credit, market management and other links.

## **7. Advantage of international logistics**

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

**V. Operating status during the reporting period**

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

**(i) Analysis of main business****1. Analysis of changes in related accounting subjects of income statement and cash flow statement**

Unit: RMB

Subject	Amount in the current report period	Amount in the previous year	YoY change (%)
Operating revenue	11,299,686,665.89	7,619,693,742.60	48.30
Operating cost	8,305,741,779.40	6,452,909,829.96	28.71
Sales expenses	240,304,021.01	197,679,981.09	21.56
Administrative expenses	559,531,630.75	529,466,270.71	5.68
Financial expenses	125,011,959.33	149,148,889.80	-16.18
R&D expenses	21,748,987.30	17,377,161.88	25.16
Net cash flow from operating activities	1,845,059,849.92	1,400,090,713.77	31.78
Net cash flow from investing activities	-1,374,994,819.34	-2,362,698,917.70	NA
Net cash flow from financing activities	460,485,131.00	-1,057,216,958.11	NA

Reasons for the change in operating revenue: Operating revenue increased by 48.30% YoY, mainly due to the opening of the Second District East New Energy Product Market and rent reduction in the previous year, as well as the YoY expansion of product sales scale.

Reasons for the change in net cash flow generated from operating activities: that is mainly due to the YoY increase of RMB 665 million in net cash received from sales of goods and provision of services, and a decrease of RMB 278 million in tax refunds received.

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

Applicable Not applicable

## 2. Revenue and cost analysis

Applicable Not applicable

The Company's operating revenue for 2023 was RMB 11.3 billion, an increase of RMB 3.68 billion YoY, and operating costs were RMB 8.306 billion, an increase of RMB 1.853 billion YoY; Among them, the main business revenue was RMB 10.935 billion, up 49.25% YoY, and the main business cost was RMB 8.163 billion, up 28.84% YoY.

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

Unit: RMB 10,000

Main business by industry						
By industry	Operating revenue	Operating cost	Gross profit margin (%)	Change in operating revenue YoY (%)	Change in operating cost YoY (%)	Increase or decrease in gross profit margin YoY
Market operation	307,434.79	86,612.08	71.83	81.16	-9.97	Up 28.52 ppt
Trade services	60,245.91	18,233.13	69.74	43.37	-17.73	Up 22.48 ppt
Supporting services	46,662.10	35,658.56	23.58	79.30	64.50	Up 6.88 ppt
Sales of goods	679,156.67	675,783.05	0.50	37.22	36.93	Up 0.22 ppt
Sub-total	1,093,499.47	816,286.82	25.35	49.25	28.84	Up 11.82 ppt

#### Description of main business by industry

1. The market operating revenue increased by 81.16% YoY, mainly due to the newly added revenue from the Second District East New Energy Product Market and the impact of the rent reduction policy implemented in the previous year.

2. The trade service revenue increased by 43.37% YoY, mainly due to the YoY increase in information service revenue from the Chinagoods platform and other platforms in this period.

3. The revenue and cost of supporting services increased by 79.30% YoY and 64.50% YoY, respectively, mainly due to the increase in hotel occupancy rate and the expansion of exhibition business scale in this period.

4. The sales revenue and cost of goods increased by 37.22% YoY and 36.93% YoY, respectively, mainly due to the significant YoY growth in the sales business of goods in this period.

### (2). Table of production and sales analysis

Applicable Not applicable

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

Applicable Not applicable

**(4). Cost Analysis Table**

Unit: RMB 10,000

Situation by industry							
By industry	Cost components	Amount in the current period	Proportion in the total cost in the current period (%)	Amount in the previous year	Proportion in the total cost in the previous year (%)	YoY change (%)	Description
Market operation	Depreciation and amortization	45,621.19	5.59	43,737.99	6.90	4.31	
Market operation	Wages and benefits	6,381.71	0.78	7,693.99	1.21	-17.06	
Market operation	Other costs	34,609.18	4.24	44,775.42	7.07	-22.70	
Trade services	Property management cost	3,350.82	0.41	3,239.75	0.51	3.43	
Trade services	Network transformation services and others	14,882.31	1.82	18,922.95	2.99	-21.35	
Supporting services	Depreciation and amortization	9,924.40	1.22	5,186.80	0.82	91.34	New provision for assets impairment
Supporting services	Cost of food and beverage raw materials	8,800.84	1.08	5,539.34	0.87	58.88	Expansion of catering revenue scale
Supporting services	Wages and benefits	4,714.77	0.58	3,154.74	0.50	49.45	Increase in personnel
Supporting services	Material and fuel consumption	2,063.33	0.25	1,116.72	0.18	84.77	Expansion of catering revenue scale
Supporting services	Exhibition and advertising cost	5,318.13	0.65	4,486.46	0.71	18.54	
Supporting services	Other costs	4,837.09	0.59	2,193.16	0.35	120.55	Mainly due to the expansion of exhibition scale
Sales of goods	Cost of product sales	675,783.05	82.79	493,522.41	77.89	36.93	Mainly due to the increase in product sales
Total		816,286.82	100.00	633,569.73	100.00	28.84	

Explanation on cost analysis and other information

No

**(5). Changes in consolidation scope due to the changes in main subsidiaries' share ownership during the report period**Applicable Not applicable**(6). Major changes or adjustment in the Company's business, products or services**Applicable Not applicable

**(7). Main sales customers and suppliers****A. Main sales customers of the Company**

Applicable Not applicable

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

Applicable Not applicable

**B. Main suppliers of the Company**

Applicable Not applicable

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

Applicable Not applicable

Other statements

No

**3. Costs**

Applicable Not applicable

Unit: RMB 10,000

Item	2023	2022	YoY change amount	Change in %	Explanation on changes
Sales expenses	24,030.40	19,768.00	4,262.40	21.56	
Administrative expenses	55,953.16	52,946.63	3,006.53	5.68	
R&D expenses	2,174.90	1,737.72	437.18	25.16	
Financial expenses	12,501.20	14,914.89	-2,413.69	-16.18	
Income tax expenses	52,666.89	4,620.57	48,046.32	1,039.84	Due to an increase in taxable income

Unit: RMB 10,000

Item	2023	2022	YoY change amount	Change in %
Human resources expenditure	34,011.66	31,721.94	2,289.72	7.22
Advertising expenses	2,693.85	3,174.30	-480.45	-15.14
Security and insurance costs	4,733.94	3,384.43	1,349.51	39.87
R&D expenses	2,174.90	1,737.72	437.18	25.16
Depreciation and amortization	14,020.84	11,406.51	2,614.33	22.92
Promotion and investment promotion	15,535.01	9,221.94	6,313.07	68.46
Intermediary expenses	1,959.67	1,913.78	45.89	2.40
Office expenses	1,748.95	1,411.89	337.06	23.87
Water, electricity and fuel consumption	716.87	695.33	21.54	3.10
Start-up fee	-	4,089.58	-4,089.58	-100.00

Other expenses	4,562.77	5,694.93	-1,132.16	-19.88
Subtotal of management, R&D and sales expenses	82,158.46	74,452.35	7,706.11	10.35

#### 4. R&D Investment

##### (1) Table of R&D investment status

Applicable Not applicable

Unit: RMB 10,000

Expensed R&D investment in this period	2,174.90
Capitalized R&D investment in this period	2,690.93
Total R&D investment	4,865.83
Total R&D investment as a percentage of operating income (%)	0.43
Proportion of capitalization of R&D investment (%)	55.30

**(2) Table of R&D personnel status**

√Applicable □Not applicable

Number of R&D personnel	160
Number of R&D personnel as a percentage of the Company's total personnel number (%)	4.62
The education level of R&D personnel	
Education level	People at this education level
Master's degree	9
Bachelor's degree	110
Junior college education	41
Age of R&D personnel	
Age range	People in this age range
Below 30 (30 excluded)	54
30-40 (30 included, 40 excluded)	90
40-50 (40 included, 50 excluded)	15
50-60 (50 included, 60 excluded)	1

**(3) Reasons for change**

□Applicable √Not applicable

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

□Applicable √Not applicable

**5. Cash flow**

√Applicable □Not applicable

Unit: RMB 10,000

Item	2023	2022	YoY change
Net cash flow (used)/generated from operating activities	184,505.98	140,009.07	44,496.91
Net cash flow (used)/generated from investing activities	-137,499.48	-236,269.89	98,770.41
Net cash flow (used)/generated from financing activities	46,048.51	-105,721.70	151,770.21
(Decrease)/increase in cash and cash equivalents	92,897.80	-202,526.74	295,424.54

1. The net cash flow generated from operating activities increased by RMB 445 million YoY, mainly due to a YoY increase of RMB 665 million in net cash received and paid for the sale of goods and provision of services in this period, and a YoY decrease of RMB 278 million in tax refunds received.

2. The net cash flow generated from investment activities increased by RMB 988 million YoY, mainly due to a YoY decrease of RMB 488 million in net outflow of investments in this period, an increase of RMB 187 million in net cash received from the disposal of fixed assets, intangible assets, and other long-term assets, and a YoY decrease of RMB 313 million in net cash paid by subsidiaries.

3. The net cash flow generated from financing activities increased by RMB 1.518 billion YoY, mainly due to a YoY increase of RMB 1.453 billion in net inflow of financing in this period.

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

□Applicable √Not applicable

**(iii) Analysis of assets and liabilities**

√Applicable □Not applicable

**1. Assets and liabilities**

Unit: RMB 10,000

Item	Amount at the end of the current period	% of total assets at the end of the current period	Closing balance in the prior corresponding period	Closing balance as a percentage of total assets in the prior corresponding period (%)	Percentage change of the closing balance of the current period compared with the prior corresponding period (%)	Reasons for change
Cash and cash equivalents	292,273.53	8.07	199,129.90	6.20	46.78	
Held-for-trading financial assets	1,513.09	0.04	6,233.10	0.19	-75.72	
Accounts receivable	59,285.78	1.64	21,075.07	0.66	181.31	Mainly due to the expansion of factoring business scale in this period and the increase in factored accounts receivable
Prepayments	98,606.26	2.72	60,605.70	1.89	62.70	
Other receivables	11,527.94	0.32	41,939.81	1.31	-72.51	
Property investment	414,420.94	11.44	285,164.32	8.88	45.33	
Construction in progress	395,595.92	10.92	286,006.48	8.91	38.32	
Development expenses	1,864.84	0.05	466.10	0.01	300.09	Due to an increase in research and development investment in this period
Short-term borrowings	161,980.49	4.47	105,928.74	3.30	52.91	
Advances from customers	60,236.44	1.66	88,599.33	2.76	-32.01	
Tax payable	34,818.52	0.96	21,499.84	0.67	61.95	
Other payables	186,272.07	5.14	132,559.61	4.13	40.52	
Non-current liabilities due within one year	17,914.08	0.49	8,685.23	0.27	106.26	Transfer-in of long-term interest-bearing liabilities due within one year
Long-term	86,279.89	2.38	40,450.00	1.26	113.30	

borrowings						
Estimated liabilities	-	-	11,062.03	0.34	-100.00	Offsetting estimated liabilities for provision for letter of credit litigation
Deferred income	16,043.27	0.44	10,358.21	0.32	54.88	

Other statements

No

## 2. Overseas assets

Applicable Not applicable

### (1) Scale of assets

Among them, overseas assets were RMB 473 million, accounting for 1.31% of the total assets.

### (2) Explanation of the high proportion of offshore assets

Applicable Not applicable

**3. Encumbrances on major assets as of the end of the reporting period**√Applicable Not applicable

Unit: RMB

Item	2023	2022
Cash and cash equivalents	12,556,381.42	10,098,029.66
Inventory	8,925,585.77	-
Long-term equity investment	102,918,559.00	102,918,559.00
Other non-current financial assets	631,520,588.85	621,447,424.37
Other current assets	313,869,496.74	367,484,914.87
Total	1,069,790,611.78	1,101,948,927.90

The situation of restricted assets can be found in Financial Report Note VII. 31. Restricted Assets of Ownership or Use Rights in Section IX.

**4. Other statements**Applicable Not applicable**(iv) Analysis of business information of industry**√Applicable Not applicable

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

**(v) Analysis of investments****Overview of external equity investment**√Applicable Not applicable

As of the end of December 2023, the external investment amount was RMB 9.0163777 billion (including trading financial assets of RMB 15.1309 million, long-term equity investment of RMB 7.0227795 billion, other equity instrument investment of RMB 556.8974 million, and other non-current financial assets of RMB 1.4215699 billion), an increase of RMB 921.0654 million, or 11.38%, from RMB 8.0953123 billion (including trading financial assets of RMB 62.331 million, long-term equity investment of RMB 6.0334729 billion, other equity instrument investment of RMB 499.2008 million, and other non-current financial assets of RMB 1.5003076 billion) at the end of the previous year. The main changes were as follows:

- i. At the end of the reporting period, trading financial assets decreased by RMB 47.201 million from the end of the previous year, due to a decrease of RMB 38.6794 million in bank wealth management during the reporting period, as well as a decrease of RMB 8.5207 million in the sale of some Dongfang Entrepreneurship shares and changes in fair value.
- ii. At the end of the reporting period, long-term equity investment increased by RMB 989.3066 million from the end of the previous year, mainly due to:
  1. The decrease of RMB 50 million in investment costs, which was due to the recovery of RMB 50 million in investment funds from Yiwu Hongyi Equity Investment Fund Partnership during the reporting period.
  2. The net increase of RMB 1.039306 billion in the accrued income by equity method, ect., which was due to the accrued investment income by equity method of RMB 1.0358582 billion during the reporting period.
- iii. At the end of the reporting period, other equity instrument investments increased by RMB 57.6966 million from the end of the previous year, due to changes in fair value of Shenwan Hongyuan Group Co., Ltd. during the reporting period.
- iv. At the end of the reporting period, other non-current financial assets decreased by RMB 78.7377 million from the end of the previous year. This was due to the recovery of RMB 40.5043 million in investment funds from Yiwu Shanyue Equity Investment Partnership (Limited Partnership) and

Beijing Yiyun Clean Technology Entrepreneurship Investment Co., Ltd. during the reporting period, as well as the income of RMB -38.2334 million from the disposal of other non-current financial assets and fair value change.

### 1. Major equity investments

Applicable Not applicable

### 2. Major non-equity investments

Applicable Not applicable

Unit: RMB 10,000

Item	Project amount	Progress	Investment amount during current period	Cumulative actual investment amount
The Yiwu Comprehensive Bonded Zone Project	624,250.00	The completion and acceptance of the projects in the southern and northern zones of the new import market were completed.	71,692.37	362,262.42
Logistics Park S2	108,000.00	The main body was basically completed and met the conditions for completion acceptance.	34,523.24	58,057.14
Logistics Park S3	132,000.00	The main body was basically completed and met the conditions for completion acceptance.	34,282.25	64,682.30
Yiwu International Digital Logistics Market	113,600.00	93.6% of the total project was completed, of which all individual buildings were basically completed.	51,477.51	63,079.75

Global Digital Free Trade Center	832,082.00	<p>1. Phase I project (hotel plot): The overall progress was 52%, with 100% of the main structure completed and about 70% of the secondary structure completed.</p> <p>2. Phase II project (market, business office building): Approximately 77% of the basement structure work was completed. About 90.30% of the market lot 1 was completed; About 92.90% of the market lot 2 was completed; About 61.60% of the business office building lot 1 was completed; About 62.70% of the business office building lot 2 was completed.</p> <p>3. Super high-rise building lot: In the stage of earthwork and foundation pit engineering, about 20% of the earthwork transportation was completed.</p>	68,140.69	75,328.51
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### 3. Financial assets measured with fair value

√Applicable □Not applicable

Unit: RMB 10,000

Category of assets	Opening balance	Profit and loss from changes in fair value in the current period	Cumulative fair value changes included in equity	Current purchase amount	Sale/redemption amount in current period	Other changes	Closing balance of the current period
Held-for-trading financial assets	6,233.10	82.33	-	-	4,802.34	-	1,513.09
Other equity instruments investment	49,920.08	-	245.40	-	-	5,769.66	55,689.74
Other non-current financial assets	150,030.76	-5,325.39	-	-	2,548.38	-	142,156.99
Total	206,183.94	-5,243.06	245.40	-	7,350.72	5,769.66	199,359.82

Securities Investment

√Applicable □Not applicable

Unit: RMB 10,000

Securities	Security code	Security abbreviation	Initial investment cost	Source of funds	Opening book value	Profit and loss from changes	Cumulative fair value changes	Current purchase amount	Sales amount in	Profit and loss from investment	Closing book value	Accounting item
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						in fair value in the current period	included in equity		current period	in current period		
Stocks	000166	Shenwan Hongyuan	55,362.54	Self-owned funds	49,920.08	-	4,327.24	-	-	376.28	55,689.74	Other equity instruments investment
Stocks	600278	Oriental Venture	5,000.00	Self-owned funds	2,365.16	82.33	-	-	934.40	202.32	1,513.09	Held-for-trading financial assets
Stocks	833979	Tiantu Investment	15,519.21	Self-owned funds	4,773.97	-	-	-	-	-	3,717.19	Other non-current financial assets
Total	/	/	75,881.90	/	57,059.21	-974.45	4,327.24	-	934.40	578.60	60,920.02	/

## Explanation of securities investment

Applicable Not applicable

## PE investment

Applicable Not applicable

At the end of this reporting period, the book value of private equity fund investments was RMB 1.2224834 billion, a decrease of RMB 20.054 million from RMB 1242.5374 million at the end of the previous year. This was due to the recovery of RMB 40.5043 million in investment funds from Yiwu Shanyue Equity Investment Partnership (Limited Partnership) and Beijing Yiyun Clean Technology Entrepreneurship Investment Co., Ltd. during the reporting period, as well as RMB 20.453 million in fair value change.

## Derivatives investment

Applicable Not applicable

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

Applicable Not applicable

**(vi) Major sales of assets and equity**

□Applicable    ✓Not applicable

**(vii) Analysis of major subsidiaries and associates**

✓Applicable    □Not applicable

Unit: RMB 10,000

Company name	Business	Registered capital	Total assets	Net assets	Net profits
Yiwu China Commodities City Financial Holdings Co., Ltd.	Enterprise's own capital investment, asset management, investment consulting services, investment management services	400,000.00	284,075.64	260,718.78	-1,643.77
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	192,251.39	-104,880.43	-10,055.19
Yiwu Shangbo (former name: Yiwu Shangbo Real Estate Co., Ltd.)	Enterprise management; property management, etc.	30,000.00	118,369.76	50,304.78	-2,083.50
Yiwu Commodities City Gonglian Property Co., Ltd.	Real estate development and sale	20,000.00	16,037.46	15,879.71	104.67
Kuaijietong Payment Service Co., Ltd.	Internet payment, cross-border RMB, cross-border foreign exchange, etc.	18,000.00	54,033.73	15,258.14	1,629.28
Yiwu Xingchen Enterprise Management Co., Ltd. (former name: Yiwu China Commodity City Payment Network Technology Co., Ltd.)	R&D of computer and multimedia software	15,000.00	266,227.72	12,095.86	37.48
Yiwu China Commodities City Import and Export Co., Ltd.	Domestic trade and international trade	10,000.00	115,346.11	7,536.84	1,739.81
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	37,757.44	20,491.15	8,141.99
Yiwu China Commodities City Supply Chain Management Co., Ltd.	Supply chain management service	10,000.00	16,959.28	6,959.06	100.84
Zhejiang Yiwugou E-commerce Co., Ltd.	Computer software, multimedia technologies, computer network and application, and wholesale & retail	10,000.00	17,898.25	12,421.69	2,068.40
Yiwu China Commodities City Property Development Co., Ltd.	Real estate development and sale	500,000.00	2,092,930.84	652,838.40	28,003.14
Yiwu Hongyi Equity Investment Fund Partnership (limited partnership)	Investment management, equity investment, asset management and investment consulting	200,100.00	186,302.65	184,027.18	3,055.34
Zhejiang Chouzhou Financial Lease Co., Ltd.	Financial lease service, and transfer of financial lease assets	100,000.00	2,019,224.78	221,079.31	32,923.33
Yiwu Shanglv Investment Development Co., Ltd.	Industrial investment, investment management, property services, parking lot operation and management, commercial marketing planning, business management consulting, mall operation and management, etc.	80,000.00	131,677.69	92,010.95	7,854.06

Pujiang Lvgu Property Co., Ltd.	Real estate development and sale	70,000.00	134,214.36	70,672.83	-5,776.39
Zhejiang Zhijie Yuangang International Supply Chain Technology Co., Ltd.	International cargo transportation agency by sea; international cargo transportation agency by air; international cargo transportation agency by land; domestic cargo transportation agency; domestic shipping agency; general cargo warehousing services, etc.	55,556.00	60,758.39	40,309.11	-5,030.15
Yiwu Guoshen Shangbo Property Co., Ltd.	Real estate development, sale and lease; real estate brokerage service, interior decoration service; and landscaping service	4,081.63	237,211.12	189,228.50	173,771.35

**(viii) Structured entities controlled by the Company**

Applicable Not applicable

## VI. Discussion and Analysis of the Company's Future Development

### (i) Industry pattern and trends

√Applicable    □Not applicable

#### 1. AI changes business

Artificial intelligence (AI), as one of the core technologies of the Fourth Industrial Revolution, is driving a profound transformation in global production methods. International organizations such as the World Economic Forum unanimously believe that AI technologies will greatly improve production efficiency and product quality, and open up new market opportunities for enterprises. According to reports from well-known research institutions such as Gartner and McKinsey, AI is triggering a "productivity revolution" across the world, and it is expected that the global AI market will exceed trillions of dollars by 2030. As an emerging productivity, AI has shown broad market prospects and enormous development potential.

In this context, the Company has ushered in a new era with AI technology as its core. The Company deeply recognizes that AI is not only a symbol of technological innovation, but also a key force driving changes in business models and operational methods. Therefore, the management of the Company regards "exploring how AI technology can empower traditional markets" as the core task of its five-year strategic plan for the future. During the reporting period, the Company actively integrated AI technology into commercial practice, driving traditional foreign trade to actively explore the direction of AI.

(1) Preliminary results have been achieved in the exploration and practice of AI applications

① A series of products with AI empowering the digital trade ecosystem have initially formed a closed loop.

The AI Digital Lady Boss and AI Translator have successfully reduced language barriers for market operators in foreign trade business; AI-generated images and videos provide a cost-effective solution for digitizing products; Digital human anchors and AI customer service staff enable business owners to achieve 24-7 business operations; And AI independent websites have opened up more trade channels. In addition, Xiaoshang AI has broken through traditional keyword search and information flow recommendation models through intelligent interactive Q&A. Not only does it enhance the personalized experience of Chinagoods users, but it also drives the evolution of the Yiwu commercial model by deeply understanding the preferences and needs of procurement users, promoting cost reduction and efficiency increase for business owners, and updating business models.

② "Digital Lady Boss" brings more business display opportunities to merchants

The wave of AI technology is sweeping across various industries, and the business model of Yiwu is also undergoing changes among "world business circles". Market merchants can seamlessly switch between different languages and communicate with foreign businesses without barriers in front of the camera through the multilingual "Digital Lady Boss" AI tool. Merchants can better showcase their brand store and product image through AI tools, and can

also achieve business such as customer acquisition, quotation, and order taking. At present, 17,000 people have deeply experienced and used the series of products of Xiaoshang AI on the Chinagoods platform of Yiwu CCC. The "Digital Lady Boss" empowered by AI has formed a series of well-known IPs, receiving continuous attention and coverage from media outlets such as CCTV, People's Daily Online, and Xinhua News Agency, becoming a case of new economic transformation.

Through follow-up analysis and data statistics of merchants, it was found that within three months of using AI products, the average inquiry volume of market merchants increased by more than 30%, and the order volume also increased by more than 15%. The exploration and practice of AI have received positive feedback in the field of foreign trade.

### ③ Upgrade of Chinagoods AI Intelligent Innovation Service Platform

In October 2023, the Company released the first large model in the field of commodity trade China and upgraded the Chinagoods AI Intelligent Innovation Service Platform. Yiwu CCC has reached strategic cooperation with institutions such as People's Daily Online, Tencent, Baidu, and Tsinghua University to jointly release big data models in the field of commerce and trade, successfully attracting numerous AI startups to join the Chinagoods AI Intelligent Innovation Service Platform.

Unlike most big data models in the market, complex digital trade scenarios require more AI service providers and AI technology teams to join. The Company chooses to start from the role of service, combining self-developed products with third-party products, deeply entering trade scenarios, helping market merchants more efficiently display their brands and products, and more accurately carry out content marketing. At present, more than 20 AI technology companies have integrated into the operation and development of digital trade scenarios in the Yiwu market. The Yiwu market has rich data application scenarios, specific user groups, mature business models, first-class basic design, and strong computing power support, providing a fertile soil for the implementation and application of more AI products.

#### (2) The construction of AI digital trade infrastructure is accelerating

① Hardware construction. In April 2023, the Company signed a cooperation agreement with China Unicom Zhejiang Branch to plan to build and operate the "Belt and Road" international data center. The project will follow the framework of "one network, three centers and two guarantees", including the new international Internet data dedicated channel, green data center, cloud computing center and intelligent computing center, and provide operation service guarantee and network data security guarantee. This project aims to promote the flow and integration of data elements, providing infrastructure support for the future development of artificial intelligence applications in the Yiwu market.

② Software construction. On October 22, 2023, during the China Yiwu International Commodities Fair, the Company announced strategic cooperation with institutions such as People's Daily Online, Tencent, Tsinghua University, and China Post in the fields of AI and big

data. The Company released the world's first vertical industry model in the field of commerce and trade based on Luka, and launched Version 2.0 of Chinagoods AI Intelligent Innovation Service Platform. ModelBest is an enterprise incubated by the NLP laboratory of Tsinghua University, and was named one of the "Top 10 Most Promising Startup" by "AI China" Machine Heart in 2022. The AI Agent series of ModelBest is based on a large voice model, achieving a higher quality artificial intelligence interaction experience.

(3) The Company's forward-looking investments in AI applications in the field of commerce and trade

In the future development blueprint, the Company will continue to make forward-looking investments in the field of artificial intelligence, promoting innovative applications of AI technology in the field of commerce and trade.

① With the utmost sincerity and attitude, the Company will work together with more top technology enterprises to explore the application scenarios of AI technology in the field of commerce and trade. The Company is dedicated to developing a series of revolutionary digital tools, including AI digital human matrix, AI website building platform, AI assistant, etc., with the aim of creating agents (digital agents) with advanced capabilities such as graphic content generation and deep data analysis, leading the wave of digital transformation in the field of commerce and trade.

② The Company will accelerate the promotion of digital infrastructure projects such as 10 Gigabit networks and cross-border access networks to ensure an efficient, stable, and fast network environment. Launch an AI digital customer service system to enhance user service experience. And pilot the commercial language model project in the new energy industry, in order to explore deep applications in specific industries and accumulate valuable experience.

AI technology not only improves operational efficiency and reduces costs for traditional foreign trade, but also creates new business opportunities for market participants, promotes innovation in business models, and AI changes business. We will always maintain sensitivity and a sense of crisis, embrace change, and strive for innovation. We will be based on the Yiwu market and connect global suppliers and buyers through AI technology to achieve intelligent matching and efficient circulation of trade information, contributing to the prosperity and development of global trade.

## 2. Data elements

In the era of digital economy, data has become a "new energy" driving business transformation, and the digital industry is gradually becoming a new engine for China and even the global economic recovery. According to the Research Report on the Development of China's Digital Economy (2023) by the China Academy of Information and Communications Technology, the scale of China's digital economy development exceeded RMB 5 billion for the first time in 2022, and it is expected that the scale of China's data trading market will reach RMB 204.6 billion by 2025.

On January 12, 2022, the State Council released the "14th Five Year Plan for the Development of the Digital Economy", and on December 19, 2022, the Central Committee of the Communist Party of China and the State Council issued the "Opinions on Building a Data Infrastructure System to Better Play the Role of Data Elements" (referred to as the "20 Data Articles"), which aimed to build a data infrastructure system from aspects such as data property rights, circulation and transactions, income distribution, and security governance, and proposed 20 policy measures. The introduction of the "Twenty Data Articles" will fully leverage China's advantages in massive data scale and rich application scenarios, activate the potential of data elements, strengthen, optimize, and expand the digital economy, and enhance new drivers of economic development.

In August 2023, the Ministry of Finance issued the "Interim Provisions on Accounting Treatment of Enterprise Data Resources" ("Interim Provisions"), which stipulated the presentation and disclosure of enterprise data resources in accounting statements and came into effect on January 1, 2024.

According to the Provisional Regulations, the Company has conducted corresponding calculation and analysis on the data resource allocation for 2023. In recent years, the Company has continuously increased its investment in digitalization and data resource related fields, reaching RMB 130 million; During the reporting period alone, the Company invested RMB 18 million in data resources. In 2024, the Company will continue to expand its investment in data elements. By the end of the first quarter, the amount of identifiable intangible assets - data resources - will exceed RMB 8 million. The annual investment is expected to exceed RMB 50 million.

During the reporting period, the Company continued to leverage data elements to empower and promote the digital transformation and reshaping of small commodity trade across all links, scenarios, and formats. It effectively connected multi-dimensional data such as Yiwu Index, credit reporting, Chinagoods, Yiwu Pay, and Zhijie Yuangang, visualized the trade chain, provided assistance policies such as warehousing and logistics, display transactions, supply chain finance, and foreign trade warning. Taking the opportunity of public data authorization operation, the Company innovated application models and collaborative mechanisms, and built a more comprehensive credit evaluation system, providing financial institutions and government departments with precise resource allocation, achieving effective regulation and controllable risks.

(1) Successfully completed the certification work of Yiwu Index - related data

The Yiwu Index is a price indicator and market barometer that leads the development of the Yiwu market. The Yiwu Index, as the core module for capitalization of company data elements, has successfully achieved the confirmation of ownership of Yiwu Index - related data in 2023 with the support of the "People's Chain", ensuring the legal and compliant circulation of future index related data elements and laying the foundation for subsequent data capitalization.

The Yiwu Index has been continuously and completely recorded and stored in the Company's data center for 17 years from 2006 to 2023, including a total index, various levels of indices, and raw collected data of approximately 10 million rows. Based on Yiwu China Commodities market trading data, comprehensively reflect the macroeconomic situation and reveal the macroeconomic turning point in advance.

The "Yiwu China Small Commodity Index Information Special Issue" based on the Yiwu Index has been disseminated to tens of thousands of buyers from over 100 countries including Europe, America, the Middle East, and Africa through various channels. Write and publish over 1200 articles, including weekly price index reviews, monthly prosperity index analysis, and quarterly market operation survey questionnaire analysis, targeting governments, research institutions, etc., to provide practical basis for policy formulation and market research.

(2) Deepened the "Data Element X Commercial Circulation" action plan, and continuously accumulated commercial data and high-value application products.

In terms of data element product innovation, based on public data operation and enterprise data, we promote the operation innovation model of financial derivative products from public data authorization to "data element X commercial circulation" as the basis. We develop a commercial circulation industry guidance index, expand shop credit, inclusive finance and other data element products, actively promote the upgrading of the commercial circulation industry, and provide empowerment and efficiency improvement guidance for merchants, creating a future "Dow Jones" index cluster in the field of commerce and trade in China, and releasing the value of data elements in the commercial and trade circulation industry.

In the more than 40 years of development in the Yiwu market, a large amount of commercial data has been accumulated. As a leading digital comprehensive service provider in the field of commercial circulation, the Company has been deeply involved in the field for many years. With the continuous iteration of digital infrastructure in recent years, while strengthening its digital trade service capabilities, the Company has accumulated a massive amount of data resources in the field of commercial circulation, including merchant data, performance data, payment data, credit data, index data, etc. Based on the Company's vast commodity trading network and years of data accumulation in the field of commercial circulation, and on the basis of deepening the development of market digitization and trade digitization in recent years, the Company continues to increase investment in the development of data resources.

The Company has conducted a detailed analysis of the development inputs and outputs related to data resources in 2023 and as of the end of the first quarter of 2024, and has identified multiple potential high-value data products and applications at present

Item	Application scenarios	Expected value realization method
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Chinagoods-related data products and applications	Online transaction intelligent matching, AI vertical commerce and trade model, intelligent warehousing and logistics, supply chain optimization management, trade performance, mobile applications, precise push, etc.	By accumulating trade data, combined with the application of big data and artificial intelligence (AI) technology, the Company provides value-added services such as market trend prediction, consumer behavior analysis, digital marketing, refined operations, and customized intelligent solutions to merchants, helping them reduce costs, increase efficiency, and double business performance.
Yiwu Pay-related data products and applications	Trade financing credit reporting services based on settlement data, credit assessment and risk management, prevention and monitoring of money laundering and terrorist financing, etc.	The plan is to launch trade financing products in 2024, integrating foreign exchange data and credit data, providing enterprises with efficient, convenient, and low-cost financing methods, breaking the information silos of traditional supply chain finance, and seamlessly integrating data flow and capital flow.
Credit data products and applications	Optimization of the entire process of credit management in financial institutions, including pre-loan credit assessment and risk control, in loan monitoring, customer identification, credit limit calculation, etc.	<p>Credit report: Providing credit report inquiry and personalized interface services according to the needs of financial institutions, helping financial institutions comprehensively understand customer credit history and financial status;</p> <p>Risk warning: Analyzing customer profiles through their buying and selling transaction data, timely pushing risk warning analysis to financial institutions, and thus preventing potential credit risks;</p> <p>Intelligent customer acquisition: Supporting dynamic management of potential users and achieving automated marketing</p>
Application of index data products	These products are intended for analyzing macroeconomic conditions, industry operation trends, monitoring consumer market trends, predicting future market trends, etc.	To provide basic and customized value-added services for different user groups, combined with cooperation with external institutions and AIGC technology, the Company enhances the practicality and innovation of Yiwu Index data products, explores diversified sources of income, and provides users with more comprehensive and in-depth market insights and decision-making support.

## (3) Planning of and investment in data element capitalization

To ensure the smooth iteration of the Yiwu China Small Commodity Index and better leverage its role as a “price indicator and market barometer”, in 2024, the Company will use the inclusion of data resources related to the Yiwu Index into balance sheet as a driving force to

promote the top-level construction of data element capitalization. With the Yiwu Index cluster as a landmark, the Company will promote industrial policy guidance and industrial upgrading empowered by data elements, build a path for data asset value in the digital economy era, and form a new driving force for the growth of the commercial circulation industry. The Company plans to collaborate with third-party organizations to promote the capitalization of relevant data elements. These are specifically manifested in the following aspects:

① Upgrading the data platform. The Company plans to and its corresponding data application functions by upgrading the index data collection method, optimizing and upgrading the index model, developing index prediction functions, implementing data visualization cockpit, and integrating data dashboards.

② Expanding the breadth of the index. Based on the current Yiwu Index, the Company plans to build and upgrade index clusters at different levels (world-class, national, industrial, and enterprise), such as the "Belt and Road" countries trade vitality index, price-prosperity composite index, small commodity supplier rating index, and SME vitality index, and build the "Dow Jones" index in the field of commerce and trade in China as a forward-looking indicator.

③ Increasing the depth of the index. The Company plans to combine the needs of different user groups (government, industry, and corporate clients) and carry out refined management, providing differentiated data product services with different granularity, quality, form, and content to different customer groups, such as macroeconomic analysis reports, industry professional databases, professional report libraries, commercial solutions, etc.

④ Enhancing the impact of the index. The Company plans to deepen cooperation with mainstream domestic and foreign media and relevant institutions, expand the channels for index promotion, upgrade the "one magazine, one website, one account", and enhance the influence of the index.

The Company actively responds to the development needs of the digital economy era, researches and invests in a new track of data element X, relies on accumulated data resources and capabilities, constructs a new business and asset portfolio, expands new data products and service models, drives business applications, and provides digital services for small and medium-sized enterprises. Based on this, the Company establishes a digital economy landmark, forms new quality productivity, and accelerates its transformation to an "international trade comprehensive service provider".

## 构建国际贸易综合服务与 数据要素 x 商贸流通的双循环

### 数据要素x商贸流通产业(新质生产力)



#### (ii) Development strategies of the Company

√Applicable □Not applicable

At the Fifth China-Africa Entrepreneurs Conference, General Secretary Xi Jinping called Yiwu the world "Capital of Small Commodities", pointing out the direction for the development of the market and the Company. As the builder and service provider of Yiwu market, the Company

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

With the goal of building the world's "Capital of Small Commodities" with high quality and high standards, focusing on the main market business, promoting various resource elements to concentrate in the main business, opening up all links of the domestic and foreign trade supply chain through vigorously developing digital trade, and continuously enhancing and upgrading the core competitiveness to empower the small commodity industry chain and ecosystem, promoting the transformation of the physical market into a global trade service platform for small, medium and micro enterprises, and the transformation of the Company from a market manager to a comprehensive trade service provider.

### **(iii) Business plan**

Applicable Not applicable

2024 is the beginning year for Yiwu to build a model and rebuild brilliance, as well as a year of tackling difficulties, a year of striving for progress. The Company has anchored its strategic goal of becoming a "world-class international trade comprehensive service provider", taking it as its responsibility to build the world's small commodity capital with high quality and level. Within the framework of a unified national market, it coordinates the promotion of market innovation and enterprise transformation and upgrading, breaks through traditional business physical limitations through digital reform, and accelerates to become a global leading enterprise in commerce and trade that empowers the mass trade of small commodities.

(1) Continuously enhancing market core competitiveness and building a "world trade center" for small commodities

1. Accelerating the construction of a Global Digital Trade Center that integrates digital service trade, innovative design, and brand selection, and fully carrying out business mode planning, investment attraction, and customer retention. Accelerating the upgrading of traditional markets and the construction of digital markets, updating and transforming existing software and hardware facilities in the market, building two major application scenarios of digital services and digital operation and maintenance, enhancing the experience of buyers and the sense of gain for operators, while providing support for the digital transformation of the physical market and the development of new digital economy business forms. In 2024, the Global Digital Trade Center will clarify its market industry layout plan and complete the acquisition and retention of over 4,000 investors and customers in the market sector; promote the lighting renovation of International Trade City markets and create distinctive industry blocks.

2. Implementing actions to promote the prosperity and development of new business forms. Promoting the digital modernization and upgrading of exhibitions, adhering to the branding and internationalization of exhibitions, strengthen the linkage between online and on-site, domestic

and overseas exhibitions, enhancing the market attraction and driving effect of exhibitions, and helping build a world exhibition characteristic city. In 2024, the Company will hold more than 50 domestic exhibitions; and accelerates the planning of a new exhibition center and forms a conceptual planning plan.

(2) Continuously enhancing the driving force of digital empowerment and promoting the digitization of the entire trade chain

1. Expanding and strengthening the Chinagoods platform. Comprehensively linking the global Internet trading platform, integrating the digital performance services of "customs, warehouse and finance", building a fourth party service platform, and promoting it to become a platform of platform. In 2024, the online transaction volume of new services will exceed RMB 80 billion, and a total of 200 digital service applications will be launched.

2. Building a new ecosystem for digital trade performance. Focusing on the digital free trade application of small commodities, the Company will accelerate the development of Caigoubao and the Caigoubao industry belt, expand the digital application scenarios of the small commodity industry chain, accelerate the promotion of the "market procurement+ B2B foreign trade services" application scenarios, and create a new model of "consolidation of goods across China and export at Yiwu".

3. Improving the digital financial service system. Deepening the cross-border RMB+ cross-border foreign exchange payment settlement business system, explore cross-border e-CNY settlement channels, accelerate the global layout of cross-border payment licenses, and build a cross-border payment network that connects the world.

4. Continuously improving the Yiwu China Small Commodity Index. Deepening cooperation with units such as People's Daily and People's Data, upgrading index models, exploiting data value, optimizing indicator collection systems, and enhancing the analytical ability and application value of the Yiwu China Small Commodity Index in global small commodity trade. In 2024, the Company will complete the reconstruction of the data system for the Yiwu China Small Commodity Index, explore the derivation of more data products and services, release new versions to the public, and expand the channels for index release globally.

(3) Continuously improving internal and external opening up to help build a dual circulation strategic node

1. Deepening the plan for the Yiwu Market Project. Focusing on the countries and regions along the "Belt and Road", the Company will make overall use of "overseas sub-markets, overseas warehouses, overseas websites, Yiwu Selection overseas exhibition halls, and overseas exhibitions", and deeply integrate into the world in terms of products, culture, standards, and rules, so that small commodities of China can reach a larger market. In 2024, the Company will focus on expansion in emerging markets such as the Middle East, Southeast Asia, South America, and Africa, with a total of more than 20 projects including overseas sub-markets, FBC

overseas warehouses, Yiwu Selection overseas exhibition halls, overseas exhibitions, and overseas websites.

2. Building high-quality open platforms. Giving full play to the policy advantages of the Comprehensive Bonded Zone, strengthening exports, expanding imports, developing transshipment, and continuously improving the level of domestic and foreign opening up; Improving the digital third-party delivery platform for cross-border logistics, and helping stabilize international trade chains and increase the international trade volume. In 2024, Yiwu Comprehensive Bonded Zone will complete an import volume of over RMB 48 billion; The digital third-party delivery platform for cross-border logistics services will have a shipment volume of over 80,000 TEUs of goods.

(4) Continuously improving market capitalization management capabilities, achieving sustainable development of the enterprise and maximizing the interests of all shareholders

On March 15, the China Securities Regulatory Commission issued the "Opinions on Strengthening the Supervision of Listed Companies (Trial)", which proposed to strengthen the main responsibility of market capitalization management of listed companies, guide listed companies to closely monitor the market's evaluation of company value, actively improve investor return ability and level, and other guiding opinions, clarifying unified regulatory requirements.

On March 22, the Shanghai Stock Exchange issued the Initiative for SSE-Listed Companies to Launch a Special Action for "Improving Quality and Efficiency and Valuing Returns". It called on listed companies to follow the principles of "voluntary, open, and pragmatic", carry out a special action to improve the quality of operations and profitability, accelerate the development of new productive forces, enhance the investment value of the Company, and sincerely repay investors.

As a state-owned holding listed company, achieving high-quality development of China Commodities City is crucial for the preservation and appreciation of state-owned assets, the long-term development of the Company, and the interests of shareholders. Based on this, the Company has formulated an action plan for market capitalization management and the 2024 Action Plan for "Improving Quality and Efficiency and Valuing Returns".

Strategic goals: Focusing on the development goal of becoming a world-class international trade comprehensive service provider, continuously improving business performance and management level, continuously enhancing the core competitiveness of the enterprise, continuously enhancing market capitalization management ability, achieving sustainable development of the enterprise and maximizing the interests of all shareholders.

Basic principles: Adhering to the principles of openness, fairness, and impartiality, following the requirements of true, accurate, complete, and timely information disclosure, managing the market capitalization of the Company in accordance with the law and regulations, and safeguarding the legitimate rights and interests of the Company and its shareholders.

Specific measures:

1. Strengthening information disclosure and transparency

In the evaluation results of information disclosure work of listed companies on the Shanghai Stock Exchange in 2022, the Company was rated A level. The Company will continue to make efforts to provide comprehensive and transparent financial reports and market dynamics, and to positively convey the Company's value in a reasonable and compliant manner; After the Company's new official website is launched, a dedicated investor interaction column will be set up, and designated platforms such as the Shanghai Stock Exchange E-Interaction will be used to promptly respond to market concerns and investor inquiries. The Company will regularly hold investor briefing meetings and carry out activities such as "Investors Entering Listed Companies" to enhance investors' awareness and confidence in the Company.

2. Improving operational efficiency and profitability

Continuously consolidating the operation of core business operations and solidifying the foundation; Gradually divesting inefficient and non-performing assets, and improve asset quality; Actively exploring new business models and growth points, and forming competitive new growth poles.

3. Promoting investment and mergers and acquisitions that meet industry needs

Actively promoting investments and mergers that align with the Company's long-term development strategy, strengthening industrial layout, and further enhancing the Company's influence in the global supply chain.

4. Strengthening investor relationship management

This includes transparent and timely disclosure of important information to investors, active interaction and communication with investors and analysts, quick response to media reports and proactive release of company news, while setting crisis response strategies and training communication teams, and continuously improving and learning to enhance relationship management capabilities.

5. Adhering to regulatory requirements to ensure compliance

Adhering to standardized operation; Establishing a sound internal control system and risk management system, strengthening internal training, and strictly preventing improper behaviors such as market manipulation and insider trading.

6. Improving long-term returns

The Company plans to continuously increase the proportion of profits distributed in cash within three years from 2024; Through equity incentives and other means, the Company will establish and improve the long-term incentive and constraint mechanism of the Company, and achieve a win-win situation for the Company, employees, and shareholders.

**(iv) Potential risks**Applicable Not applicable

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

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

3. External uncertainty. International political conflicts have caused increased uncertainty in international trade, and the development of global market trade is more complicated and severe than before; new technologies are accelerating to breed new opportunities, and new trade models and new formats are constantly emerging.

**(v) Other**Applicable Not applicable**VII. Situation of the Company failing to disclose and explain the reasons in accordance with the standards due to special reasons such as non-applicable standards or state secrets and trade secrets.**Applicable Not applicable

## Section IV. Corporate governance

### I. Description of corporate governance

Applicable Not applicable

During the reporting period, in strict accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Governance for Listed Companies and the relevant laws and regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange, the Company continuously established and improved the relevant systems, endeavoured to improve the corporate governance structure, standardized operations and law-abiding operations. There was no difference between the actual situation of corporate governance structure and the normative documents concerning the governance of listed companies

#### (I) Shareholders and general meetings of shareholders

The Company held shareholders' meetings in strict accordance with the Rules for Shareholders' Meetings of Listed Companies to ensure that all shareholders of the Company fully exercise their rights, especially the rights of minority shareholders. The Company usually earnestly received visits and calls from shareholders to ensure that shareholders have the right to know, participate and vote on major issues of the Company, so that shareholders truly enjoy equal rights.

#### (II) Controlling shareholders and the listed company

The controlling shareholders of the Company exercised the rights of investors according to law through the shareholders' meeting, and did not directly or indirectly interfere with the Company's decision-making and business activities beyond the shareholders' meeting, so as to achieve the "five independence" in terms of assets, personnel, finance, organization and business, and the Company's board of directors, board of supervisors and internal organs can operate independently. The controlling shareholder of the Company can strictly abide by the promise made to the Company to avoid horizontal competition. When engaging in related party transactions with controlling shareholders, the Company strictly followed relevant laws and regulations to ensure fairness, impartiality, and fairness in related-party transactions.

#### (III) Directors and Board of Directors

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

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

(IV) Supervisors and Board of Supervisors

During the reporting period, the Company held five supervisory meetings, and the convening procedures of each meeting complied with relevant laws and regulations. The Company's supervisors can earnestly perform their duties, supervise the Company's major matters, supervise the legality and compliance of the Company's directors and senior managers in performing their duties, and safeguard the legitimate rights and interests of the Company and shareholders.

(V) Information disclosure and investor relationship management

The Company disclosed relevant information in a true, accurate, complete and timely manner in accordance with the "Administrative Measures for Information Disclosure of Listed Companies". The public can learn about the Company's situation through media promotion, telephone consultation, and other means. In addition to completing the disclosure of periodic reports and temporary announcements mandatory by regulations, the Company actively carried out voluntary information disclosure in compliance with regulations, so that investors can have a continuous understanding of the business situation of concern, and truly protect the right of shareholders to know.

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

Applicable Not applicable

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

Applicable Not applicable

The situation where the controlling shareholder, actual controller, and other units under their control engage in the same or similar business as the Company, as well as the impact of significant changes in industry competition or industry competition on the Company, the measures taken, progress made in resolving the issue, and subsequent resolution plans.

Applicable Not applicable

**III. General meeting of shareholders**

Session of meeting	Date	Designated website on which the resolution is published	The disclosure date of the resolution published	Resolution of the meeting
The First Extraordinary General Meeting of Shareholders in	January 13, 2023	www.sse.com.cn	January 14, 2023	See the resolution notice for details

2023				
2022 Annual General Meeting of Shareholders	May 5, 2023	www.sse.com.cn	May 6, 2023	See the resolution notice for details
The Second Extraordinary General Meeting of Shareholders in 2023	July 6, 2023	www.sse.com.cn	July 7, 2023	See the resolution notice for details

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

Applicable Not applicable

Statement on shareholders' meetings

Applicable Not applicable

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

2. The 2022 Annual General Meeting of Shareholders reviewed and adopted the 2022 Annual Work Report of the Board of Directors, the 2022 Annual Work Report of the Board of Supervisors, the 2022 Annual Report and Summary, the 2022 Annual Financial Report, the 2023 Annual Financial Budget Report, the 2022 Annual Profit Distribution Plan, the Proposal on the Renewal of the Employment of the Accounting Firm, the Proposal on the Issuance of Various Debt Financing Instruments in the Next 12 Months, and the Proposal on the Investment in and Construction of Yiwu Global Digital Free Trade Center.

3. The Second Extraordinary Shareholders' Meeting in 2023 reviewed and approved the Proposal on the Conditions for Issuing convertible corporate Bonds to Unspecified Objects, the Proposal on Issuing Convertible Corporate Bonds to Unspecified Objects, the Proposal on the Pre-plan for Issuing Convertible Corporate Bonds to Unspecified Objects, and the Proposal on Feasibility Analysis Report on the Use of Funds Raised by Issuing Convertible Corporate Bonds to Unspecified Objects, the Proposal on No Need to Prepare a Report on the Use of the Previous Raised Funds, and the Proposal on Risk Warning, Filling Measures and Related Subject Commitment for Diluting Spot Return of Convertible Corporate Bonds Issued to Unspecified Objects, the Proposal on Shareholder Dividend Return Planning for the Next Three Years (2023-2025), the Proposal on Formulating Rules for the Meeting of Holders of Convertible Corporate Bonds of the Company, the Proposal on the Demonstration and Analysis Report on the Scheme of Issuing Convertible Corporate Bonds to Unspecific Objects, the Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors and its Authorized Persons to Handle Matters Related to the Issuance of Bonds.

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

√Applicable □Not applicable

Unit: share

Name	Title	Sex	Age	Start date of tenure	End date of tenure	Number of shares held at the beginning of the year	Number of shares held at the end of the year	The amount of stock increase or decrease during the year	Reasons for change	Total pre-tax remuneration received from the Company during the reporting period (RMB ten thousand)	Whether to receive remuneration from related parties of the Company
ZHAO Wenge	Chairman	Male	57	September 27, 2018		34	34			50.76	No
WANG Dong	Vice Chairman and General Manager	Male	51	March 8, 2019		30	30			50.76	No
LI Chengqun	Director	Male	52	May 12, 2014		0	0			0	Yes
ZHANG Lang	Director	Male	50	November 8, 2022		0	0			0	Yes
XU Hang	Director and Secretary of the Board of Directors	Male	50	December 12, 2017		30	30			43.15	No
ZHANG Leping	Director	Male	44	November 8, 2022		0	0			0	Yes
MA Shuzhong	Independent director	Male	56	August 27, 2019		0	0			7.2	No
HONG Jianqiao	Independent director	Male	58	May 22, 2020		0	0			7.2	No
LUO Jinming	Independent director	Male	56	April 9, 2021		0	0			7.2	No

JIN Xiaojia	Chairman of the Supervisory Board	Male	36	December 16, 2016		0	0			0	Yes
WANG Jinjian	Supervisor	Male	51	October 26, 2020		0	0			0	Yes
WU Menghua	Supervisor	Female	33	March 10, 2022		0	0			0	Yes
FANG Min	Employee supervisor	Male	39	December 8, 2020		0	0			31.65	No
JIN Yongsheng	Employee supervisor	Male	46	December 8, 2020		0	0			18.93	No
HUANG Haiyang	Vice general manager	Male	35	June 21, 2022		0	0			43.15	No
ZHANG Qizhen	Vice general manager	Male	56	July 7, 2017	January 17, 2024	30	30			43.15	No
SHOU Shengdi	Vice general manager	Male	50	November 4, 2021		0	0			43.15	No
LI Xiaobao	Vice general manager	Male	47	June 21, 2022		0	0			43.15	No
GONG Chenghao	Vice general manager	Male	44	September 29, 2021		20	20			43.15	No
YANG Yang	Vice general manager	Male	41	September 29, 2021		20	20			43.15	No
HUANG Xiaoying	Vice general manager	Female	41	March 9, 2023		0	0			35.96	No
ZHAO Difang	Financial Manager	Female	51	May 12, 2024		35.01	35.01			43.15	No
Total	/	/	/	/	/	199.01	199.01		/	554.86	/

Name	Main working experience
ZHAO Wenge	He used to be Vice Chairman and General Manager of the Company, and is currently Secretary of the Party Committee and Chairman of the Company.
WANG Dong	He used to be a member and deputy director of the Party Committee of Yiwu SASAO, and deputy director (concurrently) of the management committee of the State-owned Assets Operation Center, and is currently the deputy secretary of the Company's party

	committee, vice chairman and general manager.
LI Chengqun	He used to be the deputy party secretary, vice chairman and general manager of Yiwu Small Commodity City Evergrande Development Co., Ltd., and is currently the party secretary, chairman and company director of Yiwu Market Development Group Co., Ltd.
ZHANG Lang	He used to be the party secretary, vice chairman and general manager of Yiwu International Land Port Group Co., Ltd., and is currently the deputy secretary, vice chairman, general manager and company director of Yiwu Market Development Group Co., Ltd.
XU Hang	He used to be general manager of the Company's securities legal affairs department, and representative of securities affairs of the Company's, and is currently a director and the secretary of the board of the Company.
ZHANG Leping	He used to be the general manager of Hangtou Equity Investment Fund Management (Hangzhou) Co., Ltd., and is currently the deputy general manager and director of Zhejiang Zhecai Capital Management Co., Ltd.
MA Shuzhong	He is currently the dean of the China Digital Trade Research Institute of Zhejiang University and concurrently serves as an independent director of the Company.
HONG Jianqiao	He is currently the dean of the Accounting Department of the School of Management, Fudan University, and concurrently serves as an independent director of the Company.
LUO Jinming	He's now a professor of Zhejiang University, and an independent director of the Company and Silan Microelectronics Co., Ltd.
JIN Xiaojia	He used to be the accounting director of the Finance Department of Yiwu Communications Investment and Construction Group, and is currently a supervisor and chairman of the supervisory committee of the Company.
WANG Jinjian	He used to be the deputy general manager of Yiwu China Commodity City Property Development Co., Ltd., and is currently the general manager and company supervisor of Yiwu China Commodity City Property Development Co., Ltd.
WU Menghua	She used to be a supervisor of Yiwu Market Development Group Co., Ltd., concurrently a supervisor of Yiwu State-owned Capital Operation Co., Ltd. and a supervisor of Yiwu Industrial Investment Development Group Co., Ltd., and currently serves as a supervisor of the Company.
FANG Min	He used to be a business commissioner of the Company's human resources department (party construction office), and currently serves as deputy general manager of the Company's human resources department (party construction office) and employee supervisor of the Company.
JIN Yongsheng	He used to be the business assistant of the Company's supervision and audit department, the accounting supervisor of the finance department of the Company's Ocean Hotel, and the internal audit supervisor of the Company's legal audit department. He is currently the financial director of Yourworld International Conference Center and the Company's employee supervisor.
HUANG Haiyang	He used to be a member of the party committee and deputy general manager of Yiwu Urban Investment and Construction Group Co., Ltd., and is currently a member of the party committee and deputy general manager of Zhejiang China Commodity City Group Co., Ltd.
ZHANG Qizhen	He used to be the general manager and marketing director of the Company's marketing department, and is currently a member of the party committee and deputy general manager of the Company.
SHOU Shengdi	He used to be a member of the Party Committee of Zhejiang Yiwu Municipal Bureau of Foreign Trade and Economic Cooperation, a member of the Party Committee and Deputy Director of Zhejiang Yiwu City Commerce Bureau, and is currently a member of the party

	committee and deputy general manager of the Company.
LI Xiaobao	He used to be a member of the party committee and deputy general manager of Yiwu Urban Investment and Construction Group Co., Ltd., and is currently a member of the party committee and deputy general manager of Zhejiang China Commodity City Group Co., Ltd.
GONG Chenghao	He used to be the general manager of Yiwu China Commodity City Information Technology Co., Ltd., and the general manager of Yiwu China Commodity City Supply Chain Management Co., Ltd., and is currently a member of the party committee and deputy general manager of the Company.
YANG Yang	He used to be the general manager of Zhejiang Yiwu China Commodity City Imported Commodity Market Branch, the general manager of Zhejiang Yiwu China Commodity City Import and Export Co., Ltd., and is currently a deputy general manager of the Company.
HUANG Xiaoying	She used to be the director of the Supervision Office of the People's Government of Fotang Town, the secretary of the Disciplinary Committee, and a member of the Party Committee. He is currently a member of the Party Committee and Deputy General Manager of the Company.
ZHAO Difang	She used to be the general manager of the Company's financial department and is currently the head of the Company's finance.

Statement on other matters

Applicable Not applicable

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

√Applicable □Not applicable

Name of incumbent	Name of shareholder unit	Positions held in shareholder units	Start date of tenure	End date of tenure
ZHAO Wenge	Yiwu China Commodities City Holdings Limited	Chairman, General Manager	2019	
WANG Dong	Yiwu China Commodities City Holdings Limited	Director	2021	
LI Chengqun	Yiwu Market Development Group Co., Ltd.	Chairman	2014	
ZHANG Lang	Yiwu Market Development Group Co., Ltd.	Vice Chairman and General Manager	2022	
ZHANG Leping	Zhejiang Zhecai Capital Management Co., Ltd.	Vice General Manager	2022	
JIN Xiaojia	Yiwu China Commodities City Holdings Limited	Assigned Full-time Supervisor		
WU Menghua	Yiwu State-owned Capital Operation Co., Ltd.	Assigned Full-time Supervisor		
Description of the position of the shareholder unit	No			

**2. Serving in other units**

√Applicable □Not applicable

Name of incumbent	Names of other units	Position held in other units	Start date of tenure	End date of tenure
HONG Jiangqiao	Shanghai Laiyifen Co., Ltd.	Independent director		
HONG Jiangqiao	Bailige Biotechnology (Shanghai) Co., Ltd.	Independent director		
LUO Jinming	Hangxiao Steel Structure Co., Ltd.	Independent director		
LUO Jinming	Chengbang Ecological Environment Co., Ltd.	Independent director		
LUO Jinming	Ningbo Qiancheng Furniture Co., Ltd. (listed on NEEQ)	Independent director		
WANG Jinjian	Yiwu China Commodities City Property Development Co., Ltd.	Chairman, general manager		
JIN Xiaojia	Yiwu Shuangjianghu Development Group Co., Ltd.	Deputy Director of Discipline Inspection Office		
Description of employment in other units	No			

**(iii) Remuneration of directors, supervisors and senior management personnel**√Applicable Not applicable

Decision-making procedures for the remuneration of directors, supervisors and senior executives	The remuneration of the Company's remunerated directors, supervisors and senior executives shall be reviewed by the remuneration and appraisal committee of the Company's board of directors and submitted to the board of directors for review and approval. The remuneration of directors and supervisors shall also be submitted to the general meeting of shareholders for review and approval.
Whether a director recuses himself from the board's discussion of his remuneration	Yes
Specific information on the recommendations made by the Compensation and Assessment Committee or the Independent Director's Special Meeting on the remuneration of directors, supervisors, and senior management personnel	The relevant assessment for 2023 has not been completed yet. After the assessment is completed, the salary and assessment committee will provide relevant opinions.
The basis for determining the remuneration of directors, supervisors and senior managers	The remuneration of independent directors is determined according to the Independent Director Allowance System, which is reviewed and formulated by the Board of Directors and approved by the shareholders' meeting. The allowance standard is RMB 6,000 (pre-tax) per month. The remuneration of the Company's directors, supervisors and senior management shall be reviewed and determined by the Board of Directors' Compensation and Appraisal Committee in conjunction with the assessment opinions and results of the state-owned regulatory authority, and submitted to the board of directors for deliberation.
Actual payment of remuneration for directors, supervisors and senior management	The relevant assessment for 2023 has not been completed yet, and the actual compensation will be determined after completing the assessment and fulfilling the relevant procedures.
The total remuneration actually received by all directors, supervisors and senior management at the end of the reporting period	The actual payment of remuneration will be determined after completing the assessment and performing the relevant procedures. The current salary paid is the pre-paid salary for the year 2023, with a total pre-tax amount of RMB 5.5486 million.

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

Name	Title	Change	Reasons for change
HUANG Xiaoying	Vice general manager	Hiring	Being hired by the Board of Directors

**(v) Explanation of punishments by securities regulatory agencies in the past three years**Applicable √Not applicable**(vi) Other**Applicable √Not applicable

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

Session of meeting	Date	Resolution of the meeting
The 7th Meeting of the 9th Board of Directors	March 9, 2023	Reviewed and approved 1. Proposal on Appointment of Deputy General Manager 2. Proposal on the Cancellation of the Company's Purchasing Service Branch
The 8th meeting of the 9th Board of Directors	April 10, 2023	Reviewed and approved 1. 2022 Annual Work Report of the Board of Directors 2. 2022 Annual Report and Summary 3. 2022 Annual Financial Settlement Report 4. 2023 Annual Financial Budget Report 5. 2022 Annual Profit Distribution Plan 6. Proposal on the Renewal of the Employment of the Accounting Firm 7. 2022 Annual Internal Control Evaluation Report 8. 2022 Annual ESG Report 9. Proposal on Applying for Credit Granting from Relevant Financial Institutions (8) Proposal on Issuing Debt Instruments within the Coming 12 Months 11. Proposal on Authorizing the Chairman to Use Idle Funds for Entrusted Wealth Management 12. Proposal on the Investment in and Construction of Yiwu Global Digital Free Trade Center 13. First Quarter Report for 2023 14. Proposal on Requesting the Convening of the 2022 Annual General Meeting of Shareholders 15. 2022 Annual Internal Control Audit Report 16. 2022 Annual Work Report of Independent Directors 17. 2022 Annual Performance Report of the Audit Committee of the Board of Directors
The 9th Meeting of the 9th Board of Directors	April 24, 2023	Reviewed and approved 1. Proposal on Foreign Investment
The 10th Meeting of the 9th Board of Directors	May 11, 2023	Reviewed and approved 1. Proposal on Entrusted Management of Project Construction and Related Transactions
The 11th Meeting of the 9th Board of Directors	June 19, 2023	Reviewed and approved 1. Proposal on the Conditions for Issuing Convertible Corporate Bonds to Unspecific Objects 2. Proposal on Issuing Convertible Corporate Bonds to Unspecific Objects 3. Proposal on the Pre-plan for Issuing Convertible Corporate Bonds to Unspecified Objects 4. Proposal on Feasibility Analysis Report on the Use of Funds Raised by Issuing Convertible Corporate Bonds to Unspecific Objects 5. Proposal on No Need to Prepare a Report on the Use of Previous Raised Funds 6. Proposal on Risk Warning, Filling Measures and Related Entity Commitment for Diluting Spot Returns of Convertible Corporate Bonds Issued to Unspecific Objects 7. Proposal on Shareholder Dividend Return Planning for the Next Three Years (2023-2025)

		<p>8. Proposal on Formulating Rules for the Meeting of Holders of Convertible Corporate Bonds of the Company</p> <p>9. Proposal on the Demonstration and Analysis Report on the Scheme of Issuing Convertible Corporate Bonds to Unspecific Objects</p> <p>10. Proposal on Requesting the General Meeting of Shareholders to Authorize the Board of Directors and its Authorized Persons to Handle Matters Related to the Issuance of Bonds</p> <p>11. Proposal on Convening the Second Extraordinary General Meeting of Shareholders in 2023</p>
The 12th Meeting of the 9th Board of Directors	August 17, 2023	<p>Reviewed and approved</p> <p>1. Semi-annual Report and Summary for 2023</p> <p>2. Proposal on Adjusting the Repurchase Price of Restricted Stocks and Repurchasing and Cancelling Some Restricted Stocks</p>
The 13th meeting of the 9th session	October 19, 2023	<p>Reviewed and approved</p> <p>1. Third Quarter Report for 2023</p> <p>2. Proposal on Applying for Development Loans from Financial Institutions for Global Digital Trade Center Projects</p> <p>3. Proposal on the Satisfaction of the Unlocking Conditions for the First Unlocking Period of the Reserved Grant Part of the 2020 Restricted Stock Incentive Plan</p> <p>4. Proposal on Holding Subsidiary Yiwu China Small Commodities City Exhibition Co., Ltd. to Apply for Being Listed on NEEQ</p>
The 14th Meeting of the 9th Board of Directors	December 28, 2023	<p>Reviewed and approved</p> <p>1. Proposal on the Satisfaction of the Unlocking Conditions for the Second Unlocking Period of the First Grant Part of the 2020 Restricted Stock Incentive Plan</p>

## VI. Duties performed by directors

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

Director Name	Independent director or not	Participation in Board of Directors						Participation in general meeting of shareholders
		Number of board meetings this year	Number of attendances in person	Number of participations by communication	Number of delegates attended	Absence Frequency	Failure to attend the meeting in person twice in a row or not	
ZHAO Wenge	No	8	8	6	0	0	No	1
WANG	No	8	8	6	0	0	No	3

Dong LI Chengqun	No	8	8	6	0	0	No	0
Zhang Lang	No	8	8	6	0	0	No	0
XU Hang	No	8	8	6	0	0	No	3
ZHANG Leping	No	8	8	6	0	0	No	2
MA Shuzhong	Yes	8	8	6	0	0	No	1
HONG Jianqiao	Yes	8	8	6	0	0	No	2
LUO Jinming	Yes	8	8	6	0	0	No	1

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

Applicable Not applicable

Number of meetings of the Board of Directors held during the year	8
Including: the number of on-site meetings	2
Number of meetings held by communication	6
Number of meetings held on site combined with communication methods	0

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

Applicable Not applicable

**(iii) Other**

Applicable Not applicable

**VII. Committees under the Board of Directors**

Applicable Not applicable

**(i) Members of Committees under the Board of Directors**

Category of committees	Member name
Audit committee	Hong Jianqiao Ma Shuzhong Zhang Lang
Nomination Committee	Ma Shuzhong Luo Jinming Xu Hang
Compensation and Appraisal Committee	Luo Jinming Hong Jianqiao Li Chengqun
Strategy Committee	ZHAO Wenge WANG Dong Ma Shuzhong

**(ii) 8 meetings were held by these committees during the report period**

Date	Contents of the meeting	Important comments and suggestions	Other things on duty fulfillment
January 9, 2023	The 2nd Meeting of the Audit Committee of the 9th Board of Directors reviewed and approved the 2022 Integrated Audit Plan	Approved the 2022 Integrated Audit Plan	

March 9, 2023	The 2nd Meeting of the Nomination Committee of the 9th Board of Directors approved the Proposal on Nominating Vice General Managers	Agreed to nominate Ms. Huang Xiaoying as the candidate for Vice General Manager	
March 10, 2023	The 3rd Meeting of the Audit Committee of the Ninth Board of Directors approved the Preliminary Communication on the Results of the 2022 Integrated Audit	Approved the preliminary communication on the results of the 2022 integrated audit	
April 10, 2023	The 4th Meeting of the Audit Committee of the 9th Board of Directors reviewed and approved the 2022 Financial Report, 2022 Internal Control Evaluation Report, 2022 Internal Control Audit Report, 2022 Performance Report of the Audit Committee, and Proposal on the Renewal of the Employment of the Accounting Firm	Approved the 2022 Financial Report, 2022 Internal Control Evaluation Report, 2022 Internal Control Audit Report, 2022 Performance Report of the Audit Committee, and Proposal on the Renewal of the Employment of the Accounting Firm	
May 5th, 2023	The 5th Meeting of the Audit Committee of the 9th Board of Directors approved the Proposal on Project Construction Entrustment Management and Related Party Transactions	Approved the proposal on project construction commission management and related party transactions	
August 17, 2023	The 6th Meeting of the Audit Committee of the 9th Board of Directors reviewed and approved the Internal Control Audit Work Report for the First Half of 2023	Approved the Internal Control Audit Work Report for the First Half of 2023	
October 19, 2023	The 2nd meeting of the 9th Board of Directors Remuneration and Assessment Committee reviewed and approved the Proposal on the Satisfaction of the Unlocking Conditions for the First Unlocking Period of the Reserved Grant Part of the 2020 Restricted Stock Incentive Plan	Approved the satisfaction of the unlocking conditions for the first unlocking period of the reserved grant part.	
December 28, 2023	The 3rd meeting of the Compensation and Assessment Committee of the 9th Board of Directors reviewed and approved the Proposal on the Satisfaction of the Unlocking Conditions for the Second Unlocking Period of the First Grant Part of the 2020 Restricted Stock Incentive Plan	Approved the satisfaction of the unlocking conditions for the second unlocking period of the first grant part.	

**(iii) The specifics of objection**

Applicable Not applicable

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

Applicable Not applicable

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

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

Number of employees in the parent company	2,051
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Number of employees in major subsidiaries	1,410
Total number of employees	3,461
Number of retired employees for whom the parent company and major subsidiaries have to bear expenses	
Professional composition	
Professional composition category	Professional composition
Production staff	1,171
Salesperson	95
Technical staff	1,320
Financial officer	144
Administration staff	383
Security personnel	348
Total	3,461
Education level	
Education level category	Quantity (people)
Postgraduate	110
Bachelor's degree	1,598
Junior college education or below	1,753
Total	3,461

**(ii) Salary policy**

Applicable Not applicable

**I. Principles of remuneration system**

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

**2. Basis of salary system**

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

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

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

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

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

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

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

**(iii) Training program**√Applicable Not applicable

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

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

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

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

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

**(iv) Labor outsourcing**√Applicable Not applicable

Total number of working hours of labor outsourcing	1,552.53 months
Total remuneration paid for labor outsourcing	RMB 11.2121 million

**X. Plan for profit distribution or capital reserve into stock capital****(i) Formulation, implementation or adjustment of cash dividend policy**√Applicable Not applicable

According to the China Securities Regulatory Commission's Notice on Further Implementation of Cash Dividends by Listed Companies (ZJF [2012] 37) and Zhejiang Securities Regulatory Bureau Notice on Forwarding and Further Implementation of Listed Companies' Cash Dividends (ZZJSSZ [2012] 138) Regulations, the Company held the 24th meeting of the sixth board of directors on August 15, 2012, and reviewed and approved the Proposal on Amending the Articles of Association, which revised the Company's profit distribution policy and adjustment decision-making mechanism. The second extraordinary general meeting of shareholders held on September 3, 2012 was deliberated and approved. In order to further implement the new requirements of the China Securities Regulatory Commission's Guidelines

for the Supervision of Listed Companies No. 3-Cash Dividend Distribution of Listed Companies (November 30, 2013) and the Guidelines for Cash Dividend Distribution of Listed Companies of the Shanghai Stock Exchange, the forty-fourth meeting of the sixth board of directors of the Company held on April 17, 2014 reviewed and approved the Proposal on Amending the Profit Distribution Clauses in the Articles of Association of the Company. The Company further clarified the basic principles, distribution forms, specific policies, decision-making mechanisms and procedures of the Company's profit distribution, which were reviewed and approved by the 2013 Annual General Meeting of Shareholders held on May 12, 2014. The nineteenth meeting of the seventh board of directors of the Company held on December 25, 2015 reviewed and approved the Plan of Zhejiang China Commodity City Group Co., Ltd. on Shareholder Dividend Return Plan. The 11th Meeting of the 9th Board of Directors held by the Company on June 19, 2023 reviewed and approved the Proposal on Shareholder Dividend Return Planning for the Next Three Years (2023-2025).

The 2022 Annual General Meeting of Shareholders of the Company held on May 5, 2023 approved the profit distribution plan for the year 2022. Based on the total share capital of 5,486,074,176 shares, a cash dividend of RMB 0.65 (including tax) would be distributed for every 10 shares, with a total distribution of RMB 356,594,821.44. The Board of Directors of the Company published the 2022 Annual Equity Distribution Implementation Announcement on the website of the Shanghai Stock Exchange, as well as in the China Securities Journal, Shanghai Securities Journal, and Securities Times on May 16, 2023. The profit distribution was completed on May 24, 2023. The formulation and implementation of the Company's profit distribution plan complied with the requirements of the Company's Articles of Association and the resolutions of the shareholders' meeting. The dividend standards and proportions were clear and specific, and the relevant decision-making procedures and mechanisms were complete. The Company listened to the opinions and demands of small and medium-sized shareholders, and profit distribution took into account factors such as the Company's industry characteristics, development stage, profitability level, and funding needs. It also took into account the requirements of investors sharing the achievements of the Company's development and growth, and achieving reasonable investment returns.

**(ii) Special explanation of cash dividend policy**

Applicable Not applicable

Whether it complies with the provisions of the Company's articles of association or the requirements of the resolution of the general meeting of shareholders	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the dividend standard and ratio are clear and specific	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the relevant decision-making procedures and mechanisms are complete	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether the independent directors performed their duties and played their due role	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Whether minority shareholders have the opportunity to fully express their opinions and demands, and whether their legitimate rights and interests have been fully protected	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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

Applicable Not applicable

(iv) Plan for profit distribution and conversion of capital reserves into share capital during the reporting period

Applicable Not applicable

Unit: RMB

Number of bonus shares for every 10 shares	0
Dividend payout for every 10 shares (tax inclusive)	2.00
Number of shares converted from the capitalization of capital reserve for every 10 shares	0
Cash dividend amount (tax included)	1,096,866,835.20
Net profit attributable to common shareholders of listed companies in the annual consolidated statements of dividends	2,676,182,133.26
Percentage of net profit attributable to common shareholders of listed companies in the consolidated statements (%)	40.99
The circumstance when repurchase of shares in cash is included in cash dividends	0
Total dividend amount (tax included)	1,096,866,835.20
The ratio of the total dividend amount to the net profit attributable to ordinary shareholders of the Listed Company in the consolidated statement (%)	40.99

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

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

Applicable Not applicable

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

<p>the Trades of Company's Stocks by Insiders of Company's 2020 Restricted Stock Incentive Plan".</p>	
<p>On December 11, 2020, the twenty-sixth meeting of the eighth session of the Company's board of directors passed the Proposal on Granting Restricted Shares to Incentive Objects for the First Time. The independent directors of the Company issued relevant independent opinions.</p> <p>On December 11, 2020, the seventh meeting of the Company's eighth board of supervisors passed the Proposal on Granting Restricted Stocks to Incentive Objects for the First Time. The Board of Supervisors issued the Verification Opinions of the Board of Supervisors on Matters Related to the First Grant of the Company's 2020 Restricted Stock Incentive Plan.</p> <p>Independent financial consultants, lawyers and other intermediary agencies issued corresponding opinions.</p>	<p>For details, please refer to the Company's announcement on the website of the Shanghai Stock Exchange (www.sse.com.cn) on December 12, 2020.</p>
<p>On January 15, 2021, the Company received the Securities Change Registration Certificate issued by the Shanghai Branch of China Securities Depository and Clearing Co., Ltd., and the Company completed the registration of the first grant of restricted stocks to incentive objects.</p>	<p>For details, please refer to the Company's announcement on the website of the Shanghai Stock Exchange (www.sse.com.cn) on January 19, 2021.</p>
<p>On August 9, 2021, the 35th Meeting of the 8th Board of Directors of the Company passed the "Proposal on Reserved Granting Restricted Stocks to Incentive Objects", "On Adjusting the Repurchase Price of Restricted Stocks and Repurchasing and Cancelling Some Restricted Stocks" 's proposal". The independent directors of the Company issued relevant independent opinions.</p> <p>On August 9, 2021, the 9th Meeting of the 8th Boarder of Supervisors of the Company passed the "Proposal on Reserved Granting Restricted Stocks to Incentive Objects", "Proposal on Adjusting the Repurchase Price of Restricted Stocks and Repurchasing and Cancelling Some Restricted Stocks" ". The Board of Supervisors issued the Verification Opinions of the Board of Supervisors on Matters Related to the Company's Reserved Grant of the Restricted Stock Incentive Plan in 2020.</p>	<p>For details, please refer to the Company's announcement on the website of the Shanghai Stock Exchange (www.sse.com.cn) on August 11, 2021.</p>

<p>On November 4, 2021, the Company received the Securities Change Registration Certificate issued by the Shanghai Branch of China Securities Depository and Clearing Co., Ltd., and the Company completed the registration of the reserved grant of restricted stocks to incentive objects.</p>	<p>For details, please refer to the Company's announcement on the website of the Shanghai Stock Exchange (www.sse.com.cn) on November 6, 2021.</p>
<p>On November 17, 2021, the Company applied to China Securities Depository and Clearing Co., Ltd. Shanghai Branch for repurchase and cancellation of restricted stocks that have been granted but not yet lifted by some resigned employees. On November 30, 2021, the Company received the "Securities Change Registration Certificate" issued by China Securities Depository and Clearing Co., Ltd. Shanghai Branch, and the Company has completed the registration of the restricted stock repurchase and cancellation.</p>	<p>For details, please refer to the Company's announcement on the website of the Shanghai Stock Exchange (www.sse.com.cn) on November 26, 2021.</p>
<p>On July 19, 2022, the 51st Meeting of the 8th Board of Directors of the Company reviewed and approved the "Proposal on Adjusting the Repurchase Price of Restricted Stocks and the Repurchase and Cancellation of Some Restricted Stocks", and the independent directors of the Company issued a statement on this Independent opinion expressing consent. On July 19, 2022, the 14th meeting of the 8th Supervisory Committee of the Company passed the "Proposal on Adjusting the Repurchase Price of Restricted Shares and Repurchasing and Cancelling Some Restricted Shares".</p>	<p>For details, please refer to the Company's announcement on the website of the Shanghai Stock Exchange (www.sse.com.cn) on July 20, 2022.</p>
<p>On October 18, 2022, the Company applied to China Securities Depository and Clearing Co., Ltd. Shanghai Branch for repurchase and cancellation of restricted stocks that have been granted but not yet lifted by some resigned employees. On October 21, 2022, the Company received the "Securities Change Registration Certificate" issued by China Securities Depository and Clearing Co., Ltd. Shanghai Branch, and the Company has completed the registration of the restricted stock repurchase and cancellation.</p>	<p>For details, please refer to the Company's announcement on the website of the Shanghai Stock Exchange (www.sse.com.cn) on October 19, 2022.</p>
<p>On December 28, 2022, the 6th Meeting of the 9th Board of Directors of the Company passed the "Proposal on the Satisfaction of the Unlocking Conditions for the First Unlocking</p>	<p>For details, please refer to the Company's announcement on the</p>

<p>Period of the First Grant Part of the 2020 Restricted Stock Incentive Plan ". The independent directors of the Company have issued independent opinions expressing agreement.</p> <p>On December 28, 2022, the 2nd Meeting of the Company's 9th Board of Supervisors passed the "Proposal on the Satisfaction of the Unlocking Conditions for the First Unlocking Period of the First Grant Part of the 2020 Restricted Stock Incentive Plan". The Board of Supervisors issued the "Verification Opinion on the Satisfaction of the Unlocking Conditions for the First Unlocking Period for the First Grant Part of the 2020 Restricted Stock Incentive Plan".</p>	<p>website of the Shanghai Stock Exchange (www.sse.com.cn) on December 29, 2022.</p>
<p>On August 17, 2023, the 12th Meeting of the 9th Board of Directors of the Company approved the Proposal on Adjusting the Repurchase Price of Restricted Stocks and Repurchasing and Cancelling Some Restricted Stocks. The independent directors of the Company expressed their independent opinion of agreement on this. On August 17, 2023, the 5th Meeting of the 9th Board of Supervisors of the Company approved the Proposal on Adjusting the Repurchase Price of Restricted Stocks and Repurchasing and Cancelling Some Restricted Stocks.</p>	<p>For details, please refer to the announcement disclosed by the Company on the Shanghai Stock Exchange website (www.sse.com.cn) on August 18, 2023.</p>
<p>On October 19, 2023, the 13th Meeting of the 9th Board of Directors of the Company approved the Proposal on the Satisfaction of the Unlocking Conditions for the First Unlocking Period of the Reserved Grant Part of the 2020 Restricted Stock Incentive Plan. The independent directors of the Company have issued independent opinions expressing agreement.</p> <p>On October 19, 2023, the 6th Meeting of the 9th Board of Supervisors of the Company approved the Proposal on the Satisfaction of the Unlocking Conditions for the First Unlocking Period of the Reserved Grant Part of the 2020 Restricted Stock Incentive Plan. The Board of Supervisors issued Verification Opinion on the Satisfaction of the Unlocking Conditions for the First Unlocking Period of the Reserved Grant Part of the 2020 Restricted Stock Incentive Plan.</p>	<p>For details, please refer to the announcement disclosed by the Company on the Shanghai Stock Exchange website (www.sse.com.cn) on October 20, 2023.</p>
<p>On November 8, 2023, the Company applied to Shanghai Branch of China Securities Depository and Clearing Corporation for the repurchase and cancellation of restricted stocks that had been granted to some resigned employees but still under lock-up.</p>	<p>For details, please refer to the announcement disclosed by the Company on the</p>

<p>On November 20, 2023, the Company received a Securities Change Registration Certificate issued by Shanghai Branch of China Securities Depository and Clearing Corporation, and completed the registration for the repurchase and cancellation of restricted stocks.</p>	<p>Shanghai Stock Exchange website (www.sse.com.cn) on October 19, 2023.</p>
<p>On December 28, 2023, the 14th Meeting of the 9th Board of Directors of the Company approved the Proposal on the Satisfaction of the Unlocking Conditions for the Second Unlocking Period of the First Grant Part of the 2020 Restricted Stock Incentive Plan. On December 28, 2023, the 7th Meeting of the 9th Board of Supervisors of the Company approved the Proposal on the Satisfaction of the Unlocking Conditions for the Second Unlocking Period of the First Grant Part of the 2020 Restricted Stock Incentive Plan. The Board of Supervisors issued Verification Opinion on the Satisfaction of the Unlocking Conditions for the Second Unlocking Period of the First Grant Part of the 2020 Restricted Stock Incentive Plan.</p>	<p>For details, please refer to the announcement disclosed by the Company on the Shanghai Stock Exchange website (www.sse.com.cn) on December 29, 2023.</p>

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

Incentive stock option

Applicable Not applicable

Other statements

Applicable Not applicable

Employee stock ownership plans

Applicable Not applicable

Other incentives

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

In terms of the remuneration evaluation of senior management personnel, performance assessment results were based on the performance evaluation methods for enterprise leaders, the Company's operating conditions, and relevant assessment indicators.

The remuneration was determined by the performance assessment results.

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

Applicable Not applicable

Please refer to the 2023 Internal Control Evaluation Report disclosed by the Company on the Shanghai Stock Exchange website for details.

Explanation of major deficiencies in internal control during the reporting period

Applicable Not applicable

**XIII. Management and control of subsidiaries during the reporting period**

Applicable Not applicable

Please refer to the 2023 Internal Control Evaluation Report disclosed by the Company on the Shanghai Stock Exchange website for details.

**XIV. Explanation of the internal control audit report**

Applicable Not applicable

Ernst&Young Hua Ming Certified Public Accountants (Special General Partnership) was hired by the Company to conduct an audit of the effectiveness of internal control over the Company's financial reports for the year 2023 and issued an internal control audit report with standard unqualified opinion. It is believed that the Company has maintained effective internal control over financial reporting in all material aspects as of December 31, 2023, in accordance with the Basic Norms for Enterprise Internal Control and relevant regulations. Please refer to the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) for details of the "Internal Control Audit Report".

Disclosure of internal control audit report: Yes

Opinion type of internal control audit report: standard unqualified opinion

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

NA

**XVI. Other**

Applicable Not applicable

## Section V. Environmental and Social Responsibilities

### I. Environmental issues

Whether the Company established relevant mechanisms for environmental protection	No
Investment in environmental protection funds during the reporting period (unit: RMB 10,000)	NA

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

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

Whether the Company took carbon reduction measures	Yes
Reduction of carbon dioxide equivalent emissions (unit: tons)	30,000
Types of carbon reduction measures (such as using clean energy to generate electricity, using carbon reduction technologies in the production process, developing and producing new products that help reduce carbon emissions, etc.)	Clean energy power generation

Specific instructions

Applicable Not applicable

### II. Social responsibility

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

Applicable Not applicable

For details, please refer to the 2023 Annual ESG Report disclosed by the Company on the Shanghai Stock Exchange website

**(ii) Social responsibility**

Applicable Not applicable

Specific instructions

Applicable Not applicable

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

Applicable Not applicable

Specific instructions

Applicable Not applicable

## Section VI. Significant Matters

### I. Fulfillment of commitments

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

Applicable Not applicable

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

Reached Not reached Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

### III. Illegal guarantees

Applicable Not applicable

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

Applicable Not applicable

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

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

Applicable Not applicable

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

Applicable Not applicable

- (iii) **Communication with the former accounting firm**

Applicable Not applicable

- (iv) **Approval procedures and other notes**

Applicable Not applicable

### VI. Engagement and termination of engagement of accounting firm

Unit: RMB 10,000

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

accounting firm	
Audit period of the engaged domestic accounting firm	16

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

Statement on the engagement or termination of engagement of accounting firm

Applicable Not applicable

After deliberation at the 8th Meeting of the 9th Board of Directors of the Company held on April 10, 2023, and the 2022 Shareholders' Meeting held on May 5, 2023, the Proposal on the Renewal of the Employment of the Accounting Firm was passed, and it was agreed to renew the employment of Ernst&Young Huaming Certified Public Accountants (Special General Partnership) as the Company's financial report and internal control audit institution for 2023. Please refer to the Announcement on the Renewal of Employment of Accounting Firm (L2023-011) released by the Company on the Shanghai Stock Exchange website (www.sse.com.cn) on April 11, 2023, and the Announcement on the Resolution of the 2022 Annual General Meeting of Shareholders (L2023-018) released on the Shanghai Stock Exchange website (www.sse.com.cn) on May 6, 2023.

Statement on replacing the accounting firm during the audit

Applicable Not applicable

Explanation of audit fees decreasing by more than 20% (including 20%) compared to the previous year

Applicable Not applicable

## **VII. Situations at risk of delisting**

### **(i) Reasons for the delisting risk warning**

Applicable Not applicable

### **(ii) The Company's proposed response measures**

Applicable Not applicable

### **(iii) Termination of listing and reasons**

Applicable Not applicable

## **VIII. Matters relating to bankruptcy and reorganization**

Applicable Not applicable

**IX. Material litigations and arbitrations**

√ During the year, the Company had major litigations or arbitrations □ During the year, the Company did not have any major litigations or arbitrations

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

√Applicable □Not applicable

Overview and type of matters	Query website
In December 2023, the Company received a civil judgment from the Zhejiang Provincial High People's Court regarding the dispute over the letter of credit between Zhejiang Branch of China Cinda Asset Management Co., Ltd. and the Company and Zhejiang Yiwu China Small Commodities City Trading Co., Ltd. (formerly a controlling subsidiary of the Company, now a joint-stock company, with the Company holding 35.8% of its shares). The appeal was dismissed and the original judgment upheld.	The specific content of the judgment can be found in the Announcement on the Progress of Litigation Involving the Company and Participating Subsidiaries disclosed by the Company on December 5, 2023 (L2023-056)

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

√Applicable □Not applicable

Unit: RMB 10,000

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)

Ningxia Shenghong Construction Engineering Co., Ltd.	Shizuishan Shengyuze Asset Management Co., Ltd., Yiwu China Commodity City Supply Chain Management Co., Ltd., the Company	No	Litigation	Dispute over construction project construction contract [(2022) N 0202 MC No. 4273]	430.69	No	Judgment has been made	1. The defendant Shizuishan Shengyuze Asset Management Co., Ltd. shall pay the outstanding project payment of RMB 3,819,617 and interest of RMB 303,211, totaling RMB 4,122,828, to the plaintiff Ningxia Shenghong Construction Engineering Co., Ltd. within 15 days after this judgment takes effect; 2. Other claims of the plaintiff Ningxia Shenghong Construction Engineering Co., Ltd. were dismissed
Zhejiang China Small Commodities City Group Co., Ltd. CCC Hotel	Yiwu Junhuhui Entertainment Co., Ltd.	No	Litigation	Disputes over Housing Lease Contracts [(2023) Z 0782 M C No. 2728]	203.97	No	Judgment has been made	The defendant shall pay the plaintiff a penalty of RMB 88,387 within 30 days from the effective date of this judgment.
Ying Jianhua	The Company, third party Shenzhen Pengrun Construction Group Co., Ltd.	No	Litigation	Dispute over construction project construction contract [(2022) Z 0782 MSQT No. 18007]	836.31	No	Appraisal in progress	
Hebei Construction Engineering Group Co.,	Haicheng Yiwu China Commodities City Investment	No	Litigation	Dispute over construction project construction	7,431.59	No	Undecided	

Ltd.	Development Co., Ltd.			contract (2023) L 0381 MC No. 1585					
The Company	Luo Haiquan, Huang Shuiying; Third party: Longchuan Yuegang Industrial Co., Ltd.	No	Litigation	Dispute case involving shareholders harming the interests of company creditors [(2023) Y 1622 M C 2752]	300	No	Hearings have been held but no judgment has been made		

**(iii) Other statements**

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

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

**XII. Material related-party transactions**

**(i) Related-party transactions relating to regular corporate operation**

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

Applicable Not applicable

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

Applicable Not applicable

The 10th Meeting of the 9th Board of Directors of the Company reviewed and approved the Proposal on Project Construction Entrustment Management and Related Party Transactions, and agreed to sign an engineering project entrustment management contract with of Shangbo Yungu, a wholly-owned subsidiary of the Company's controlling shareholder, CCCH,. For details, please refer to the Announcement on Project Construction Entrustment Management and Related Party Transactions (L2023-019) disclosed by the Company on the Shanghai Stock Exchange website ([www.sse.com.cn](http://www.sse.com.cn)) on May 12, 2023.

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

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

√Applicable □Not applicable

Unit: RMB

Related counterparty	Relationship	Type of related-party transaction	Contents of related-party transaction	Pricing principle	Price of related-party transaction	Amount of related-party transaction	Percentage in the amount of similar transactions (%)	Settlement method	Market price	Reasons for the large difference between the price of the transaction and reference market price
Yiwu China Commodities City Property Service Co., Ltd.	Controlling subsidiaries of controlling shareholders	Acceptance of labor service	Property service fee and greening maintenance fee	Market price	181,414,943.66	181,414,943.66	77.20	Bank transfer	181,414,943.66	/
Yiwu Security Service Co., Ltd.	Subsidiaries of controlling shareholder parent company	Acceptance of labor service	Security service fee	Market price	17,321,354.13	17,321,354.13	7.37	Bank transfer	17,321,354.13	/
CCCH	Controlling shareholders	Rent	Warehouse space rental	Market price	15,025,937.62	15,025,937.62	6.39	Bank transfer	15,025,937.62	/
Yiwu Shangbo Yungu Enterprise Management Co., Ltd.	Controlling subsidiaries of controlling shareholders	Providing services	Construction fee	Market price	11,048,288.61	11,048,288.61	4.70	Bank transfer	11,048,288.61	/
Yiwu China Commodities City Property Service Co., Ltd.	Controlling subsidiaries of controlling shareholders	Sales of goods	Sales of goods	Market price	4,153,162.42	4,153,162.42	1.77	Bank transfer	4,153,162.42	/
Yourworld International Conference Center,	Branches of the controlling	Acceptance of labor service	Laundrying fees	Market price	2,627,096.60	2,627,096.60	1.12	Bank transfer	2,627,096.60	/

subordinated to Yiwu Market Development Group	shareholder's parent company									
Yiwu China Commodities City Creative Design and Development Services Co., Ltd.	Associates	Acceptance of labor service	Design fee	Market price	2,440,943.96	2,440,943.96	1.04	Bank transfer	2,440,943.96	/
Yourworld International Conference Center, subordinated to Yiwu Market Development Group	Branches of the controlling shareholder's parent company	Other inflow	Entrusted management fees and license fees	Negotiated price	954,484.23	954,484.23	0.41	Bank transfer	954,484.23	/
Total				/	/	234,986,211.23	100	/	/	/
Details of large-value return of goods sold										
Illustration on related-party transactions					Yiwu China Small Commodity City Property Service Co., Ltd. obtained the market property service and greening maintenance contract by participating in public bidding.					

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

Unit: RMB 10,000

Related party	Relationship	Type of related-party transaction	Contents of related-party transaction	Pricing principle	Book value of transferred assets	Assessed value of transferred assets	Transfer price	Settlement method	Gains from asset transfer	The impact of transactions on the Company's operating results and financial condition	Reasons for significant differences between transaction price and book value or assessed value or market fair value
Zhijie Yuangang	Associated company	Equity transfer	Transfer of 60% equity of Yiwu Huanqiu Yida Logistics Co., Ltd.	Market price	1,445.69	2,412	2,412	Bank transfer	966.31	Realized an income of RMB 9.6631 million from transfer	This transaction was completed through public listing

Explanation of related transactions arising from asset acquisition and sale

For details, please refer to Note VIII. Changes in the scope of consolidation

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

Applicable Not applicable

**(iii) Related-party transactions arising from joint external investment****1. Matters that have been disclosed in the temporary announcements and had no further progresses or changes**

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

**(iv) Related-party credits and debts**

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

**(vi) Other**

Applicable Not applicable

**XIII. Material contracts and performance thereof**

**(i) Trusteeship, contracting and leases**

**1. Hosting**

Applicable Not applicable

**2. Contracting**

Applicable Not applicable

**3. Renting**

Applicable Not applicable

**(ii) Guarantees**

√Applicable □Not applicable

Unit: RMB 10,000

External guarantees provided by the Company (excluding those provided for the subsidiaries)														
Guarantor	Relationship between the guarantor and the Listed Company	The guaranteed	Amount of guarantee	Date of guarantee (signing date of the agreement)	Guarantee starting date	Guarantee maturity date	Type of guarantee	Collateral (if any)	Is the guarantee fulfilled in full	Is the guarantee overdue	Overdue amount of the guarantee	Counter guarantees	Is it a related-party guarantee	Related relationship
The Company	The Company itself	Yiwu Shanglv	4,575.49	Dec 16, 2015	Jul 1, 2015	Dec 15, 2026	Joint and several liability guarantee	No	No	No	NA	SCO provided a counter-guarantee	Yes	Joint venture
Hangzhou Shangbo Nanxing	Wholly-owned subsidiary	House purchase	462.93				Joint and several liability guarantee	No	No	No	NA		No	Not applicable
Amount of guarantees made during the reporting period (excluding the guarantees provided for subsidiaries)									-4,926.14					
Balance of guarantees at the end of the reporting period (A) (excluding the guarantees provided for subsidiaries)									5,038.42					
The guarantee of the Company and its subsidiaries to the subsidiaries														
Amount of guarantees provided for subsidiaries during the reporting period									-					
Balance of guarantees provided for subsidiaries at the end of the reporting period (B)									-					
Total guarantees provided by the Company (including those provided for the subsidiaries)														

Total amount of guarantees (A+B)	5,038.42
Ratio of the total amount of guarantees to the Company's net assets (%)	0.28
Among them:	
Amount of guarantees provided for shareholders, actual controller and their related parties (C)	-
Amount of guarantees provided directly or indirectly for the debtors whose debt-to-asset ratio exceed 70% (D)	-
Portion of total amount of guarantees in excess of 50% of net assets (E)	-
Total (C+D+E)	-
Statement on the joint and several liability that may be assumed due to outstanding guarantees	NA
Statement on guarantees	<p>1. According to the resolution of the 15th Meeting of the 7th Board of Directors on July 1, 2015, the Group applied for a RMB 750 million loan with Agricultural Bank of China Yiwu Branch for Yiwu Shanglv and provided guarantees in accordance with the shareholding ratio. The guarantee method was joint liability guarantee, the highest guarantee amount was RMB 367.5 million and the guarantee term was 11 years. As of December 31, 2023, Yiwu Shanglv actually borrowed RMB 93,377,327.02 from banks (December 31, 2022: RMB 193,468,056.42). According to the guarantee contract, the Group should bear a guarantee liability of RMB 45,754,890.24 (December 31, 2022: RMB 94,799,347.65) to Yiwu Branch of Agricultural Bank of China. SCO provided a counter-guarantee for this guarantee.</p> <p>2. According to relevant regulations, the Group is required to provide mortgage loan guarantees to the bank for the sale of commercial housing before the purchaser of the housing has completed the property ownership certificate. The outstanding guarantee amount as of December 31, 2023 was RMB 4,629,333.68 (December 31, 2022: RMB 4,846,333.64). Those guarantees would be released after the issuance of the property ownership certificates and are thus little likely to incur losses. Therefore, the management believed that it was not necessary to make provision for the guarantees.</p>

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

Unit: RMB 10,000

Type	Source of funds	Amount	Undue balance	Overdue unrecovered amount
Bank financing products	Self-owned funds	3,850.00	-	-

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

Unit: RMB 10,000

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

**Other information**√Applicable Not applicable

In order to improve the efficiency of fund utilization, the indirectly controlled subsidiary of the Company, Zhejiang Yiwugou E-commerce Co., Ltd., provided an entrusted loan of RMB 48 million to Yixia Chengdu International Trade City Co., Ltd. with its own funds, with a term of 2 years. For details,

please refer to the announcement on providing entrusted loans to external parties disclosed by the Company on the Shanghai Stock Exchange website (L2022-079).

## (2) Single Entrusted Loan

Applicable Not applicable

Unit: RMB 10,000

Trustee	Type of entrusted loan	Entrusted loan amount	Entrusted loan start date	Entrusted loan termination date	Fund sources Source	Fund sources Investment	Remuneration determination Method	Annualized rate of return	Expected return (If any)	Realistic gains or losses	Actual recovery	Statutory procedures	Entrusted loan program	Amount of provision for impairment (if any)
Yiwu Branch of Agricultural Bank of China Co., Ltd.	Bank entrusted loans	4,800	Dec 20, 2022	Dec 19, 2024	Self-owned funds			5.5%	528		/	Yes	No	

### Other information

Applicable Not applicable

## (3) Entrusted loan impairment provision

Applicable Not applicable

### 3. Other information

Applicable Not applicable

**(iv) Other material contracts**√Applicable Not applicable

No.	Name of contract	Contracting party	Contract price (RMB 10,000)
1	Contract for Entrusted Construction and Management of Global Digital Free Trade Center	The Company, Yiwu Shangbo Yungu Enterprise Management Co., Ltd.	3045.57
2	Construction Contract for Lot 1 of the Supporting and Landscape Greening Project of the New Import Market in Yiwu Comprehensive Bonded Zone	The Company, Zhejiang Baisha Construction Co., Ltd.	2023.90
3	Supplementary Agreement to the New Import Market of Yiwu Comprehensive Bonded Zone - South Zone Engineering Construction Contract (I)	The Company, Zhejiang Construction Engineering Group Co., Ltd.	67963.69
4	Construction Contract for Lot 2 of the Supporting and Landscape Greening Project of the New Import Market in Yiwu Comprehensive Bonded Zone	The Company, Yiwu Chengsheng Municipal Engineering Co., Ltd.	1571.56
5	Procurement Contract for Integrated Services of Yiwu International Trade City	Yiwu China Commodities City Information Technology Co., Ltd. and Yiwu Branch of China Telecom	2558.00

The 8th Meeting of the 9th Board of Directors of the Company reviewed and approved the proposal on investing in the construction of the Yiwu Global Digital Free Trade Center. For details, please refer to the Announcement on External Investment disclosed by the Company on the Shanghai Stock Exchange website ([www.sse.com.cn](http://www.sse.com.cn)) on April 11, 2023 (L2023-014).

**XIV. Description of progress in the use of raised funds**Applicable Not applicable**XV. Explanation on other major events that have a significant impact on investors' value judgments and investment decisions**√Applicable Not applicable

During the reporting period, the Company continuously expanded its cooperation with commodity trading partners in the industrial chain, while also expanding its presence in the supply chain and big data fields. That was intended for consolidating the basic foundation of trade, deeply exploring the commercial data value of the deep interaction between the small commodity industry chain and the supply chain, assisting Chinese

enterprises in going overseas, actively obtaining global trade increment, and empowering the upgrading of the small commodity industry. The specific status of strategic cooperation framework agreements signed is as follows:

### (1) In the field of commerce and trade

No.	Partner	Collaboration content	Signing time
1	Beijing Jingdong Century Trading Co., Ltd.	By means of joint marketing, opening "Yiwu Good Goods" collection stores, and organizing existing merchants of Yiwu China Commodities City to upload to the JD platform, the parties aim to build a multi-channel digital distribution system and enhance the brand value of Yiwu China Commodities City.	March 2023
2	Shenzhen Transsion Holdings Co., Ltd.	Relying on the supply chain resources of Yiwu market and the local resources of Transsion Holdings in Africa, timely cooperation shall be carried out to help the brand of Yiwu market go global, and timely capital cooperation shall be carried out.	September 2023
3	Tokyo Aucfan Co., Ltd., Japan	The parties shall fully leverage their respective advantages in industries, resources, business models, channels, and other aspects in their respective fields, actively promote cooperation in on-site commodity trade platforms, carry out online platform interoperability cooperation, and share online information.	July 2023
4	Xinjiang Commercial Logistics (Group) Co., Ltd.	Based on the policy and resource advantages of both sides, the parties shall strengthen cooperation in the field of commercial logistics, and form a linkage advantage between the two regions.	November 2023

### (2) Supply chain field

No.	Partner	Collaboration content	Signing time
1	China National Building Materials International UAE Company	By creating a "New Energy Vehicle Parts Trading Center", a "New Energy Product Exhibition and Sales Center", optimizing transit logistics solutions, and improving supply chain financial services, the parties aim to optimize the development of	August 2023

		<p>bilateral regional trade between Yiwu and Dubai, and deepen the complementarity of the industrial chain, supply chain, and value chain between the two regions. In this way, the parties will promote made-in-China products and Chinese brands going overseas to explore the Middle East and Africa markets, and practice national strategies such as the Belt and Road initiative, high-quality development of new energy industry, and internationalization of RMB.</p>	
2	Shanghai Waigaoqiao Group Co., Ltd.	<p>The parties carry out strategic cooperation with the bonded areas of Yiwu Comprehensive Bonded Zone and Shanghai Pilot Free Trade Zone as the start point. The parties shall fully leverage the policy and location advantages of Yiwu Comprehensive Bonded Zone, leverage the professional service capabilities of Waigaoqiao Group in the field of import trade, jointly serve key foreign-funded enterprise customers, innovate basic services closely related to trade, including procurement, customs declaration, logistics, and foreign exchange settlement, cooperate to explore trade finance models, improve the level of trade services between both parties, and enrich the international trade business ecosystem.</p>	February 2023
3	Zhejiang Zhijie Yuangang International Supply Chain Technology Co., Ltd. Damco Global Logistics (Shanghai) Co., Ltd	<p>Three party integration of resources, complementary advantages, supported by the Yiwu China Commodities City supply and commercial flow, linked by the Zhijie Yuangang logistics supply chain platform, and guaranteed by the Maersk logistics transportation network, based on their respective core competitiveness, the parties shall carry out comprehensive and multi-level cooperation in digital supply chain services, end-to-end logistics, cross-border e-commerce, ESG and clean energy, logistics infrastructure, etc., establish a long-term, stable, and efficient communication mechanism, and jointly create an efficient, convenient, and</p>	July 2023

		economical global supply chain channel.	
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**(3) Data value field**

No.	Partner	Collaboration content	Signing time
1	People Data Management (Beijing) Co., Ltd.	The parties shall integrate resources, complement each other's advantages, and support themselves with the storage resources of people's data. Taking the information flow of goods and commerce in Yiwu China Commodities City as the object, the parties shall carry out comprehensive and multi-level cooperation in data rights confirmation, data storage, data empowerment, data operation, etc., establish a long-term, stable, and efficient communication mechanism, and jointly build a trade data ecosystem. For details, please refer to the Announcement on Signing a Strategic Cooperation Framework Agreement (L2023-045) disclosed by the Company on the Shanghai Stock Exchange website on October 9, 2023.	September 2023
2	Zhejiang Branch of China United Network Communications Limited	By giving full play to Yiwu China Commodities City's first mover advantage in market trade and advantage in trade performance ecology with the chinagoods platform as the core and Zhejiang Branch of China Unicom's advantages in the construction and operation of data centers, cloud computing, big data, artificial intelligence, network and data security, and rich international network resources, the parties shall cooperate in the construction and operation of the "Belt and Road" international data center that includes but is not limited to the new Internet data dedicated channel, green data center, cloud computing center, and intelligent computing center, and will jointly explore the market-oriented operation of data elements, support projects such as Yiwu	April 2023

		Cross-Border E-Commerce Industrial Park and Global Digital Trade Center, and promote the transformation of Yiwu market and the upgrading of trade business forms. For details, please refer to the Announcement on Foreign Investment disclosed by the Company on the Shanghai Stock Exchange website on April 25, 2023 (L2023-017)	
3	Minying Holdings Limited	The parties shall jointly develop, construct and operate digital products based on high-quality cross-border communication services and innovative business services based on artificial intelligence applications, focus on expanding cooperation in new Internet data transmission, cross-border access, data analysis application platforms and other application fields, further improve the digital service system, promote trade with digital, and promote cross-border e-commerce development with trade; actively participate in and focus on supporting the construction of Yiwu Cross-border E-commerce Industrial Park, the Global Digital Trade Center, the “Belt and Road” International Data Center and other projects of Yiwu CCC, and promote the transformation of Yiwu market and the upgrading of trade business forms.	July 2023

## Section VII. Changes in Shares and Shareholders

### I. Changes in equity

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

##### 1. Exhibition of changes in shares

Unit: 10,000 shares

	Before this change		Increase or decrease in the current period (+, -)					After this change	
	Qty.	Proportion (%)	New shares issued	Bonus shares	Shares converted from capital reserve	Other	Sub-total	Quantity	Proportion (%)
I. Restricted shares	4,286	0.78	0	0	0	- 1,564. 125	- 1,564. 125	2,721.87 5	0.5
1. Shares held by other domestic capitals	4,286	0.78	0	0	0	- 1,564. 125	- 1,564. 125	2,721.87 5	0.5
shares held by domestic natural persons	4,286	0.78	0	0	0	- 1,564. 125	- 1,564. 125	2,721.87 5	0.5
II. Unrestricted shares	544,321. 4176	99.22	0	0	0	1,390. 125	1,390. 125	545,711. 5426	99.50
1. RMB-denominated common shares	544,321. 4176	99.22	0	0	0	1,390. 125	1,390. 125	545,711. 5426	99.50
III. Total number of shares	548,607. 4176	100	0	0	0	-174	-174	548,433. 4176	100

##### 2. Description of changes in shares

Applicable Not applicable

On November 20, 2023, due to some incentive objects no longer meeting the incentive conditions, the Company repurchased and cancelled 1.74 million circulating shares restricted for sale.

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

Applicable Not applicable

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

Applicable Not applicable

**(ii) Changes in non-tradable shares**

√Applicable □Not applicable

Unit: 10,000 shares

Shareholder	Number of restricted shares at the beginning of the year	Number of restricted shares released during the year	Number of increased restricted shares during the year	Number of restricted shares at the end of the year	Reasons for restriction on trade	Unlocking date
322 incentive recipients subject to the first grant under the 2020 restricted stock incentive plan	4,060	1,317.36	-	2,574.14	Restricted stock incentives	The lock-up period is 24 months, 36 months and 48 months from the date when the registration of the reserved grant is completed.
29 incentive recipients subject to the reserved grant under the 2020 restricted stock incentive plan	226	72.765	-	147.735	Restricted stock incentives	The lock-up period is 24 months, 36 months and 48 months from the date when the registration of the reserved grant is completed.
Total	4,286	1,390.125	-	2,721.875	/	/

The Company's restricted stock incentive plan for 2020 was implemented until the end of the reporting period. A total of 75 incentive recipients no longer met the incentive conditions due to transfer, resignation, retirement, and other reasons. Their restricted stocks were repurchased and cancelled by the Company. As of the end of the reporting period, there were a total of 351 remaining incentive recipients, holding a total of 27.21875 million shares restricted for sale.

**II. Securities issuance and listing****(i) Securities issuance as of the reporting period**

√Applicable □Not applicable

Unit: 10,000 shares, Currency: RMB

Types of stocks and their derivatives	Issue date	Issuing price (or interest rate)	Number of shares or bonds issued	Listing date	Number of shares or bonds approved for listed transaction	Transaction termination date
Common stock class						
A share	January 15, 2021	RMB 2.94 /share	4,670	January 15, 2021	4,670	
A share	November 4, 2021	RMB 2.39 / share	234	November 4, 2021	234	
Bonds (including corporate bonds, corporate bonds, and non-financial corporate debt financing)						

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

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

Applicable Not applicable

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

Applicable Not applicable

**(iii) Existing internal employee shares**

Applicable Not applicable

**III. Shareholders and actual controllers**

**(i) Total number of shareholders**

Number of common shareholders as of the end of the reporting period	175,645
The total number of common shareholders (households) at the end of the previous month before the disclosure of the annual report	140,804

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

Unit: share

Shareholdings of the top ten shareholders (excluding shares lent through refinancing)							
Shareholder (full name)	Change during the reporting period	Number of shares held at the end of the reporting period	Proportion (%)	Number of non- tradable shares held	Pledge, mark or freezing		Ownership of shareholder
					Status of shares	Qty.	
Yiwu China Commodities City Holdings Limited	-	3,038,179,392	55.40	-	No	-	State- owned legal person
Zhejiang Zhecai Capital Management Co., Ltd.	-	147,466,528	2.69	-	No	-	State- owned legal person
Hong Kong Central Clearing Company Limited	21,107,176	82,862,041	1.51	-	No	-	Other

China Life Insurance Co., Ltd. - Traditional General Insurance Products - 005L-CT001 Shanghai	40,033,242	40,033,242	0.73	-	No	-	Unknown
National Social Security Fund 116 Portfolio	36,757,465	36,757,465	0.67	-	No	-	Unknown
GAO Yaping	32,261,566	32,261,566	0.59	-	No	-	Domestic natural person
Southern Asset Management – Agricultural Bank of China – Southern China Securities Financial Assets Management Scheme	-997,800	26,675,000	0.49	-	No	-	Unknown
Dacheng Fund – Agricultural Bank of China – Dacheng China Securities Financial Assets Management Scheme	-1,225,000	26,447,800	0.48	-	No	-	Unknown
JIANG Shibo	24,387,200	24,387,200	0.44	-	No	-	Domestic natural person
GF Fund – Agricultural Bank of China – GF China Securities Financial Assets Management Scheme	-6,576,400	21,096,400	0.38	-	No	-	Unknown
Shares held by top 10 holders of tradable shares							
Shareholder	Number of tradable shares held			Type and quantity of shares			

		Type	Qty.
Yiwu China Commodities City Holdings Limited	3,038,179,392	RMB-denominated common share	3,038,179,392
Zhejiang Zhecai Capital Management Co., Ltd.	147,466,528	RMB-denominated common share	147,466,528
Hong Kong Central Clearing Company Limited	82,862,041	RMB-denominated common share	82,862,041
China Life Insurance Co., Ltd. - Traditional - General Insurance Products -005L-CT001 Shanghai	40,033,242	RMB-denominated common share	40,033,242
National Social Security Fund 116 Portfolio	36,757,465	RMB-denominated common share	36,757,465
GAO Yaping	32,261,566	RMB-denominated common share	32,261,566
Southern Asset Management – Agricultural Bank of China – Southern China Securities Financial Assets Management Scheme	26,675,000	RMB-denominated common share	26,675,000
Dacheng Fund – Agricultural Bank of China – Dacheng China Securities Financial Assets Management Scheme	26,447,800	RMB-denominated common share	26,447,800
JIANG Shibo	24,387,200	RMB-denominated common share	24,387,200
GF Fund – Agricultural Bank of China – GF China Securities Financial Assets Management Scheme	21,096,400	RMB-denominated common share	21,096,400
Explanation on the relationship or concerted action between the above shareholders	Zhejiang Provincial Finance Development Co., Ltd., the controlling shareholder of Zhejiang Zhecai Capital Management Co., Ltd., holds 9.44% of the shares of Yiwu State-owned Capital Operation Co., Ltd., the controlling shareholder of Yiwu China 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	No		

The top ten shareholders participating in the lending of shares through refinancing business  
Applicable Not applicable

Changes in the top ten shareholders compared to the previous period  
Applicable Not applicable

Unit: share

Changes in the top ten shareholders compared to the end of the previous period					
Shareholder name (full name)	New addition /withdrawal during this reporting period	At the end of the period, the number of shares lent through refinancing and not yet returned		At the end of the period, the number of shares held in the ordinary account and credit account of shareholders as well as the number of shares lent through refinancing and not yet returned	
		Total	Proportion (%)	Total	Proportion (%)
China Life Insurance Co., Ltd. - Traditional - General Insurance Products -005L-CT001 Shanghai	New addition	-	-	40,033,242	0.73
National Social Security Fund 116 Portfolio	New addition	-	-	36,757,465	0.67
GAO Yaping	New addition	-	-	32,261,566	0.59
JIANG Shibo	New addition	-	-	24,387,200	0.44
China-Europe Fund - Agricultural Bank of China – China-Europe China Securities Financial Asset Management Plan	Withdrawal	-	-	-	-
E Fund - Agricultural Bank of China - E Fund China Securities Financial Asset Management Plan	Withdrawal	-	-	-	-
Agricultural Bank of China Limited - CSI 500 Trading Open Index Securities Investment Fund	Withdrawal	5,714,000	0.10	19,627,919	0.36
Yinhua Fund - Agricultural Bank of China - Yinhua China Securities Financial Asset Management Plan	Withdrawal	-	-	15,341,127	0.28

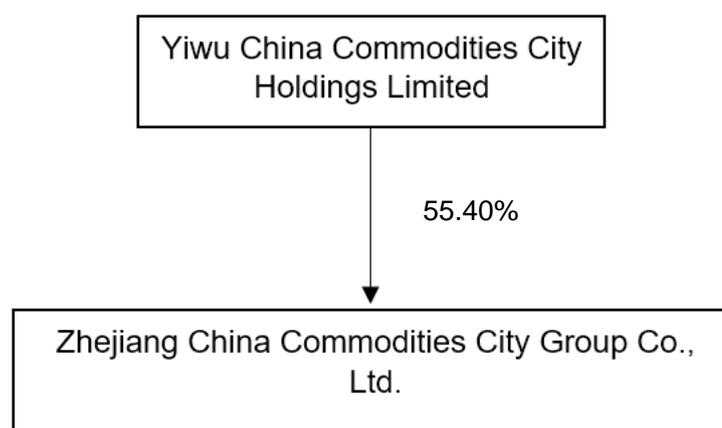
Number of shares held by the top 10 shareholders subject to trading restrictions and the trading restrictions  
Applicable Not applicable

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

Applicable Not applicable

**IV. Controlling shareholder and actual controller****(i) Controlling shareholder****1 Legal person**√Applicable Not applicable

Name	Yiwu China Commodities City Holdings Limited
The person in charge or legal representative of the unit	ZHAO Wenge
Date of establishment	October 29, 2019
Main business	State-owned shareholding platform
Shareholdings of other domestic and overseas listed companies that hold or participate in shares during the reporting period	No
Other statements	No

**2 Natural person**Applicable √Not applicable**3 Special statement that the Company does not have a controlling shareholder**Applicable √Not applicable**4 Explanation on Changes in Controlling Shareholders During the Reporting Period**Applicable √Not applicable**5 Block diagram of the property rights and control relationship between the Company and the controlling shareholder**√Applicable Not applicable**(ii) The actual controller****1 Legal person**√Applicable Not applicable

Name	State-owned Assets Supervision and Administration Office of the People's Government of Yiwu
The person in charge or legal	Wang Chenggang

representative of the unit	
Date of establishment	March 26, 2009
Main business	State-owned capital management and state-owned equity management
Shareholdings of other domestic and overseas listed companies that hold or participate in shares during the reporting period	No
Other statements	No

## 2 Natural person

Applicable Not applicable

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

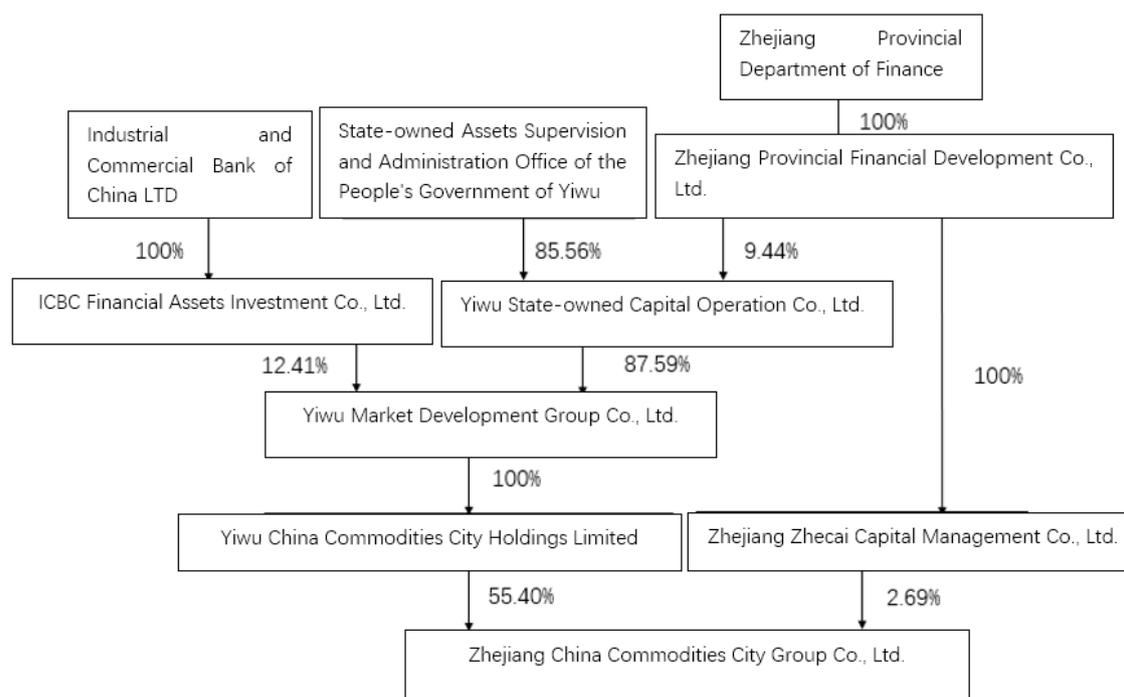
Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable



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

Applicable Not applicable

**(iii) Other introductions of controlling shareholders and actual controllers**

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

**VII. Description of share restriction reduction**

Applicable Not applicable

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

Applicable Not applicable

Preferred Shares

Applicable Not applicable

## Section VIII. Bonds

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

√Applicable □Not applicable

#### (i) Corporate bonds

□Applicable √Not applicable

#### (ii) Corporate bonds

√Applicable □Not applicable

#### 1. Basic information on corporate bonds

Unit: RMB 100 million

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

Co., Ltd. publicly issued corporate bonds to professional investors in 2022 (Issue 2)								interest payment frequency is annual, and the principal is repaid once due.		
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The Company's measures to deal with the risk of bond termination

Applicable Not applicable

Bonds overdue

Applicable Not applicable

Bond interest payment during the reporting period

Applicable Not applicable

Name of bond	Description of interest payment
Zhejiang China Commodity City Group Co., Ltd. publicly issued corporate bonds to professional investors in 2022 (Issue 1)	On September 1, 2023, the Company paid all holders of "22 Yiwu CCC 01" the interest from September 1, 2022 to September 1, 2023 on time.
Zhejiang China Commodity City Group Co., Ltd. publicly issued corporate bonds to professional investors in 2022 (Issue 2)	On September 22, 2023, the Company paid all holders of "22 Yiwu CCC 02" the interest from September 22, 2022 to September 22, 2023 on time.

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

Applicable Not applicable

## 3. Intermediaries providing services for bond issuance and duration business

Intermediary name	Office address	Name of the Signing Certified Public Accountants	Contact person	Contact number
CITIC Securities Co., Ltd.	CITIC Securities Building, No. 48 Liangmaqiao Road, Chaoyang District, Beijing	/	ZHANG Yifan	0571-85783754
Guohao Law Firm (Hangzhou)	Guohao Lawyer Building, Nos. 2 and 15, Zone B, Baita Park, Laofuxing Road, Hangzhou City, Zhejiang Province	/	YANG Beiyang	0571-85775888
Shanghai Brilliance Credit Rating & Investors Service Co., Ltd.	14/F Huasheng Tower, No.398 Hankou Road, Shanghai	/	ZHOU Wenzhe	(021)63501349

Changes to the above intermediaries

Applicable Not applicable

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

Applicable Not applicable

Unit: RMB 100 million

Name of bond	Total amount of funds raised	Amount used	Amount unused	Operation of the special account for raised funds (if any)	Rectification of illegal use of raised funds (if any)	Whether it is consistent with the purpose, use plan and other agreements promised in the prospectus
Zhejiang China Commodity City Group Co., Ltd. publicly issued corporate bonds to professional investors in 2022 (Issue 1)	8	8	-	No	No	No
Zhejiang China Commodity City Group Co., Ltd. publicly issued corporate bonds to professional investors in 2022 (Issue 2)	7	7	-	No	No	No

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

Applicable Not applicable

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

Applicable Not applicable

Other statements

Applicable Not applicable

#### 5. Adjustment in credit rating results

Applicable Not applicable

Other statements

Applicable Not applicable

Shanghai New Century Credit Rating Investment Service Co., Ltd. issued the Zhejiang China Commodities City Group Co., Ltd. Credit Rating Report [XSJQP (2023) 020239] on June 27, 2023. According to the report, the Company's main credit rating is AAA, and the rating outlook is stable.

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

Applicable Not applicable

#### 7. Other statement on corporate bonds

Applicable Not applicable

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

√Applicable □Not applicable

**1. Non-financial corporate debt financing instruments**

Unit: RMB 100 million

Name of bond	Abbreviation	Code	Issue date	Value date	Maturity date	Outstanding amount	Interest rate (%)	Method of principal repayment and interest payment	Trading venue	Investor appropriate arrangements (if any)	Trade mechanism	Whether there is a risk of terminating the transaction in the stock market
Zhejiang China Commodities City Group Co., Ltd.'s 2022 MTN (Issue 1)	22 Zhejiang Yiwu CCC MTN001	102280347	Feb-22-2022 to Feb-23-2022	Feb 24, 2022	Feb 24, 2025	10	3.29	Annual interest payment, principal repayment at maturity	Interbank market	No		No
Zhejiang China Commodities City Group Co., Ltd.'s 2022 MTN (Issue 2)	22 Zhejiang Yiwu CCC MTN002	102280660	Mar-25-2022 to Mar-28-2022	Mar 29, 2022	Mar 29, 2025	5	3.57	Annual interest payment, principal repayment at maturity	Interbank market	No		No
Zhejiang China Commodities City Group Co., Ltd.'s 2022 MTN (Issue 3)	22 Zhejiang Yiwu CCC MTN003	102281584	Jul 18, 2022 to Jul 19, 2022	Jul 20, 2022	Jul 20, 2025	5	3.00	Annual interest payment, principal repayment at maturity	Interbank market	No		No
Zhejiang China Commodities City Group Co., Ltd.'s 2023 Super Short-term Financing Bond (Issue 3)	23 Zhejiang Yiwu CCC SCP003	012382295	From June 16, 2023 to June 19, 2023	Jun 20, 2023	Mar 15, 2024	10	2.68	One-time repayment of principal and interest at maturity.	Interbank market	No		No

Zhejiang China Commodities City Group Co., Ltd. 2023 Super Short-term Financing Bond (Issue 4)	23 Zhejiang Yiwu CCC SCP004	012383426	Sept 11, 2023 to Sep 13, 2023	Sep 13, 2023	Apr 10, 2024	10	2.72	One-time repayment of principal and interest at maturity.	Interbank market	No		No
Zhejiang China Commodities City Group Co., Ltd. 2023 Super Short-term Financing Bond (Issue 5)	23 Zhejiang Yiwu CCC SCP005	012384038	Nov 6, 2023 to Nov 7, 2023	Nov 8, 2023	Aug 2, 2024	10	2.78	One-time repayment of principal and interest at maturity.	Interbank market	No		No

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

Applicable Not applicable

Bonds overdue

Applicable Not applicable

Bond interest payment during the reporting period

Applicable Not applicable

Name of bond	Description of interest payment
Zhejiang China Commodities City Group Co., Ltd.'s 2022 MTN (Issue 1)	On February 24, 2023, the Company paid the holders of "22 Zhejiang Yiwu CCC MTN001" the interest from February 24, 2022 to February 24, 2023 on time.
Zhejiang China Commodities City Group Co., Ltd.'s 2022 MTN (Issue 2)	On March 29, 2023, the Company paid the holders of "22 Zhejiang Yiwu CCC MTN002" the interest from March 29, 2022 to March 29, 2023 on time.
Zhejiang China Commodities City Group Co., Ltd.'s 2022 MTN (Issue 3)	On July 20, 2023, the Company paid the holders of "22 Zhejiang Yiwu CCC MTN003" the interest from July 20, 2022 to July 20, 2023 on time.
Zhejiang China Commodities City Group Co., Ltd.'s 2022 Super	On May 19, 2023, the Company paid the holders of "22 Zhejiang Yiwu CCC SCP005" the interest from September 21, 2022 to May 19, 2023 on time.

Short-term Financing Bond (Issue 8)	
Zhejiang China Commodities City Group Co., Ltd.'s 2022 Super Short-term Financing Bond (Issue 6)	On June 23, 2023, the Company paid the holders of "22 Zhejiang Yiwu CCC SCP006" the interest from October 26, 2022 to June 23, 2023 on time.
Zhejiang China Commodities City Group Co., Ltd.'s 2022 Super Short-term Financing Bond (Issue 7)	On March 22, 2023, the Company paid the holders of "22 Zhejiang Yiwu CCC SCP007" the interest from November 22, 2022 to March 22, 2023 on time.
Zhejiang China Commodities City Group Co., Ltd.'s 2023 Super Short-term Financing Bond (Issue 1)	On September 15, 2023, the Company paid the holders of "23 Zhejiang Yiwu CCC SCP001" the interest from March 20, 2023 to September 15, 2023 on time.
Zhejiang China Commodities City Group Co., Ltd.'s 2023 Super Short-term Financing Bond (Issue 2)	On November 10, 2023, the Company paid the holders of "23 Zhejiang Yiwu CCC SCP002" the interest from May 17, 2023 to November 10, 2023 on time.

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

Applicable Not applicable

**3. Intermediaries providing services for bond issuance and duration business**

Intermediary name	Office address	Name of the signing certified public accountants	Contact person	Contact number
China Securities Co., Ltd.	Building 4, No. 66 Anli Road, Chaoyang District, Beijing	/	ZHOU Dongpeng	19821224808
Shanghai Pudong Development Bank Co., Ltd.	No.12 Zhongshan East 1st Road, Shanghai	/	XU Haokang	13732437619
Agricultural Bank of China Limited	No. 69 Jianguomen Inner Street, Dongcheng District, Beijing	/	JIN Leijun	13676813141
Industrial and Commercial Bank of China Limited	No. 55 Fuxingmennei Street, Xicheng District, Beijing	/	CAI Sixuan	13626693988
ZheShang Bank Co., Ltd.	1788 Hongning Road, Xiaoshan District, Hangzhou City, Zhejiang Province	/	CHEN Guoyang	13757985757
China Construction Bank Corporation	No. 25 Jinrong Street, Xicheng District, Beijing	/	WU Yanting	15067057702
Bank of Ningbo Co., Ltd.	No. 345, Ningdong Road, Yinzhou District, Ningbo City, Zhejiang Province	/	CHEN Dan	13566797625

Changes to the above intermediaries

Applicable Not applicable

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

Applicable Not applicable

Unit: RMB 100 million

Name of bond	Total amount of funds raised	Amount used	Amount unused	Operation of the special account for raised funds (if any)	Rectification of illegal use of raised funds (if any)	Whether it is consistent with the purpose, use plan and other agreements promised in the prospectus
Zhejiang China Commodities City Group Co., Ltd.'s 2022 MTN (Issue 1)	10	10	-	NA	NA	Yes
Zhejiang China Commodities City Group Co., Ltd.'s 2022 MTN (Issue 2)	5	5	-	NA	NA	Yes
Zhejiang China Commodities City Group Co., Ltd.'s 2022 MTN (Issue 3)	5	5	-	NA	NA	Yes

Zhejiang China Commodities City Group Co., Ltd.'s 2023 Super Short-term Financing Bond (Issue 3)	10	10	-	NA	NA	Yes
Zhejiang China Commodities City Group Co., Ltd. 2023 Super Short-term Financing Bond (Issue 4)	10	10	-	NA	NA	Yes
Zhejiang China Commodities City Group Co., Ltd. 2023 Super Short-term Financing Bond (Issue 5)	10	10	-	NA	NA	Yes

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

Applicable Not applicable

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

Applicable Not applicable

Other statements

Applicable Not applicable

#### **5. Adjustment in credit rating results**

Applicable Not applicable

Other statements

Applicable Not applicable

Shanghai New Century Credit Rating Investment Service Co., Ltd. issued the "Zhejiang China Commodities City Group Co., Ltd. Credit Rating Report" [New Century Enterprise Review (2023) 020239] on June 27, 2023. The Company's main credit rating is AAA. The rating outlook is stable.

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

**(vi) The impact of violations of laws and regulations, company articles of association, information disclosure management system, and provisions or commitments in the bond prospectus on the rights and interests of bond investors during the reporting period**

Applicable Not applicable

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

√Applicable □Not applicable

Unit: RMB 10,000

Major indicator	2023	2022	YoY change (%)	Reasons for change
Net profits attributable to shareholders of the Listed Company with non-recurring items excluded	246,868.60	176,508.76	39.86	Mainly due to a year-on-year increase of RMB 1.571 billion in net profit attributable to shareholders of the listed company, and a year-on-year increase of RMB 868 million in non-recurring gains and losses
Current ratio	47.66%	42.33%	Up 5.33 ppt	
Quick ratio	38.57%	31.61%	Up 6.96 ppt	
Debt-to-asset ratio (%)	51.12	52.41	Down 1.29 ppt	
EBITDA to total debt ratio	0.48	0.29	65.52	
Interest coverage ratio	12.91	5.09	153.63	
Cash interest protection multiple	7.75	6.60	17.48	
EBITDA-to-interest coverage ratio	16.20	7.80	107.71	
Loan repayment rate (%)	100	100	-	
Interest payment rate (%)	100	100	-	

**II. Convertible corporate bonds**

□Applicable √Not applicable

## Section IX. Financial Report

### I. Auditor's report

Applicable Not applicable

Ernst & Young Hua Ming (2024)S Z No. 70009137-B01  
Zhejiang China Commodities City Group Co., Ltd.

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

#### 1. Audit opinion

We have audited the financial statements of Zhejiang China Commodities City Group Co., Ltd., including the consolidated and company balance sheet as of December 31, 2023, the consolidated and company income statement, statement of changes in shareholders' equity, cash flow statement, and related notes to the financial statements for the year 2023.

We believe that the attached financial statements of Zhejiang China Commodities City Group Co., Ltd. have been prepared in accordance with the Accounting Standards for Business Enterprises in all material respects, and fairly reflect the consolidated and company financial position of Zhejiang China Commodities City Group Co., Ltd. as of December 31, 2023, as well as the consolidated and company operating results and cash flows for the year then ended.

#### 2. Basis of audit opinion

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

#### 3. Key audit matters

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

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

### 3. Key audit matters (continued)

Key audit matters:	Audit response to the matter:
<i>Impairment of non-goodwill long-term assets with certain useful life</i>	
<p>On December 31, 2023, the book value of non-goodwill long-lived assets (hereinafter collectively referred to as "long-term assets") such as fixed assets, investment real estate, land use rights, construction in progress, right-of-use assets and long-term prepaid expenses attributable to the market and supporting hotels, exhibition halls and business buildings of Zhejiang China Commodities City Group Co., Ltd. was RMB 19.78998 billion, accounting for 55% of the total consolidated assets of Zhejiang China Commodities City Group Co., Ltd. Zhejiang China Commodities City Group Co., Ltd. needs to review the recoverable amount of assets or asset groups when identifying whether there are signs of impairment in the above-mentioned long-term assets and conducting impairment tests on long-term assets with signs of impairment. The management needs to make significant judgments and estimates to determine the key assumptions used in predicting the present value of future cash flows, such as sales revenue, gross profit, operating costs, disposal value prediction at the end of the useful life of related assets, and discount rate. The evaluation process is complex, so we identify them as key audit items.</p> <p>The relevant information has been disclosed in Note V. 40 and Note VII. 20, 21, 22, 25, 26, and 28 to the financial statements.</p>	<p>During the audit process, our procedures for assessing the impairment of non-goodwill long-term assets with a useful life include:</p> <ol style="list-style-type: none"> <li>1. Based on our understanding of the business of the Company and its subsidiaries and the provisions of the Enterprise Accounting Standards, evaluate the management's identification of each asset group and the judgment of impairment signs for each asset group;</li> <li>2. With the assistance of internal valuation experts, we assessed the reasonableness of the major assumptions and evaluation methods used by the Group management, like discount rates;</li> <li>3. We assessed the reasonableness of key assumptions such as estimated sales income, gross profit, operating costs, and disposal value predictions at the end of the useful life of related assets in the future years, and checked basic data on the present value of expected future cash flows with relevant supporting evidence.</li> <li>4. We compared and analyzed the actual performance of the current year with the predicted performance of the previous year;</li> <li>5. We have checked the adequacy and completeness of the relevant disclosures in the notes to the financial statements of Zhejiang China Commodities City Group Co., Ltd.</li> </ol>

### 3. Key audit matters (continued)

Key audit matters:	Audit response to the matter:
<i>Recognition of revenue from sales of goods</i>	
<p>The operating revenue of Zhejiang China Commodities City Group Co., Ltd. mainly comes from commodity sales, shop use right and supporting services for operation, hotel accommodation and catering services, leasing business, etc., among which commodity sales revenue accounts for a relatively high proportion.</p> <p>In 2023, the operating revenue of the Group was RMB 11.29969 billion, of which the sales revenue of goods was RMB 6.80806 billion, accounting for 60% of the operating revenue. 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.</p> <p>Since revenue is one of the key performance indicators of the Group, there may be an inherent risk that the management of the Group may achieve specific goals or expectations through inappropriate revenue recognition. We identified the revenue recognition of the Group's merchandise sales business as a key audit matter.</p> <p>For relevant information, please refer to Note V. Significant Accounting Policies and Estimates and Note VII. 61 to the consolidated financial statements.</p>	<p>For the recognition of revenue from sales of goods, our audit procedures mainly include:</p> <ol style="list-style-type: none"> <li>1. We have understood and evaluated the design effectiveness of key controls in the management process related to sales of goods business revenue, and tested its operational effectiveness;</li> <li>2. We select a sample to check the sales contract, identify the terms and conditions of the contract related to the transfer of control of the sold goods, and evaluate whether the timing of the revenue recognition of your group complies with the requirements of the Accounting Standards for Business Enterprises;</li> <li>3. We obtained and carried out detailed testing by means of sampling, and reviewed supporting documents related to revenue recognition, including orders, receipt records, logistics documents, bank receipts, invoices, and import and export data of the electronic port data system, etc.;</li> <li>4. According to the characteristics and nature of customer transactions, we select samples to confirm the amount of sales revenue and the balance of receivables to customers;</li> <li>5. We analyzed fluctuations in revenue, cost, and gross profit, and compared them with the gross profit margin of companies in the same industry to evaluate the rationality of changes in revenue-related indicators;</li> <li>6. We conducted background checks and visits to important customers in the sales of goods;</li> <li>7. We used a sampling method to check the sales revenue confirmed before and after the balance sheet date to supporting documents such as customer receipts to assess whether the sales revenue is recognized in the appropriate period; and</li> <li>5. We checked the adequacy and completeness of the relevant disclosures of the Group in the notes to the financial statements.</li> </ol>

#### **4. Other information**

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

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

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

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

#### **5. Responsibility of management and governance for financial statements**

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

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

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

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

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

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

- (1) Identifying and evaluating the risk of material misstatements of financial statements for fraud or error designing and implementing audit procedures to deal with these risks and obtaining adequate and appropriate audit evidence as a basis for release of our audit opinion. As fraud may involve collusion, forgery,

willful omission, misrepresentation or override of internal control, the risk of not discovering a material misstatement due to fraud is higher than the risk of not discovering a material misstatement resulting from an error.

- (2) Understanding the internal control related to the audit in order to design the appropriate audit procedures.
- (3) Evaluating the appropriateness of the accounting policies selected by management level and the reasonableness of accounting estimates and related disclosures.
- (4) Concluding the appropriateness of management level's use of the going concern assumption while drawing a conclusion as to whether there is any material uncertainty about the issues or circumstances that may cause major doubts about the ability of the Zhejiang China Commodities City Group Co., Ltd. to continue as a going concern on basis of the audit evidence acquired. If we conclude that there is a significant uncertainty, the auditing standards require us to remind user of the statements of the relevant disclosures in the financial statements in the audit report. If the disclosures are inadequate, we should release an unqualified opinion. Our conclusion is based on the information available by the date of the audit report. However, future events or circumstances may result in Zhejiang China Commodities City Group Co., Ltd. being unable to continue as a going concern.
- (5) Evaluating the overall presentation, structure and content (including disclosure) of the financial statements as well as whether the financial statements are a fair reflection of the related transactions and matters.
- (6) Obtaining adequate and appropriate audit evidence on the financial information of the entities or business activities in Zhejiang China Commodities City Group Co., Ltd. to express an opinion on the financial statements. We are responsible for directing, supervising and implementing the Group's audit and assume full responsibility for the audit opinion.

## **6. The Responsibility of Certified Public Accountants for Auditing Financial Statements (Continued)**

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

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

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

Ernst & Young Hua Ming Certified Public Accountants (special general partnership) Chinese Certified Public Accountant: TAN Chaohui (Project Partner)

Chinese Certified Public Accountant: LING Yuehan

Beijing, China

April 15, 2024

## II. Financial statements

## Consolidated Balance Sheet

December 31, 2023

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

Unit: RMB

Item	Note	December 31, 2023	December 31, 2022
<b>Current assets:</b>			
Cash and cash equivalents		2,922,735,320.61	1,991,298,971.30
Held-for-trading financial assets		15,130,895.00	62,331,000.66
Accounts receivable		592,857,795.09	210,750,725.36
Prepayments		986,062,615.10	606,057,048.25
Other receivables		115,279,387.63	419,398,092.62
Inventory		1,247,244,380.91	1,330,351,243.87
Other current assets		665,132,672.86	634,209,950.69
Total current assets		6,544,443,067.20	5,254,397,032.75
<b>Non-current assets:</b>			
Debt investments		48,073,333.34	48,079,561.64
Long-term receivables		278,026,679.25	278,299,600.73
Long-term equity investment		7,022,779,506.25	6,033,472,919.92
Other equity instruments investment		556,897,379.17	499,200,803.85
Other non-current financial assets		1,421,569,904.19	1,500,307,562.13
Property investment		4,144,209,365.57	2,851,643,180.42
Fixed assets		4,940,523,363.51	5,220,882,784.47
Construction in progress		3,955,959,200.32	2,860,064,818.36
Right-of-use assets		180,873,833.84	217,702,910.81
Intangible assets		6,238,384,501.96	6,461,849,690.36
Development expenses		18,648,441.93	4,660,995.87
Goodwill		284,916,367.87	284,916,367.87
Long-term prepaid expenses		330,032,050.64	306,925,970.89
Deferred income tax assets		115,356,912.59	150,346,801.31
Other non-current assets		138,253,316.00	138,253,316.00
Total non-current assets		29,674,504,156.43	26,856,607,284.63
Total assets		36,218,947,223.63	32,111,004,317.38
<b>Current liabilities:</b>			
Short-term borrowings		1,619,804,888.91	1,059,287,361.11
Accounts payable		1,390,254,849.27	1,191,314,404.15
Advances from customers		602,364,396.64	885,993,269.48
Contract liabilities		4,066,579,965.73	3,991,038,021.56
Payroll payable		148,473,258.54	183,135,314.51
Tax payable		348,185,249.71	214,998,424.41
Other payables		1,862,720,723.00	1,325,596,105.43
Non-current liabilities due within one year		179,140,794.24	86,852,293.01
Other current liabilities		3,514,924,439.85	3,473,907,027.00
Total current liabilities		13,732,448,565.89	12,412,122,220.66
<b>Non-current liabilities:</b>			
Long-term borrowings		862,798,863.03	404,500,000.00
Bonds payable		3,498,452,484.47	3,497,416,819.75
Lease liabilities		176,832,206.26	206,623,735.97
Estimated liabilities		-	110,620,306.10
Deferred income		160,432,656.23	103,582,129.94

Deferred income tax liabilities		84,044,926.48	95,042,722.31
Total non-current liabilities		4,782,561,136.47	4,417,785,714.07
Total liabilities		18,515,009,702.36	16,829,907,934.73
<b>Owners' equity (or shareholders' equity)</b>			
Paid-in capital (share capital)		5,484,334,176.00	5,486,074,176.00
Capital reserve		1,666,882,087.60	1,651,146,033.96
Less: treasury stocks		74,367,173.75	119,483,675.00
Other comprehensive income		23,394,697.32	-24,008,473.60
Surplus reserve		1,879,651,431.02	1,616,083,136.73
General risk reserve		4,893,646.97	1,038,991.13
Undistributed profits		8,703,604,953.04	6,651,440,591.35
Total equity attributable to owners (shareholders) of the parent company		17,688,393,818.20	15,262,290,780.57
Minority interest		15,543,703.07	18,805,602.08
Total owners' equity (or shareholders' equity)		17,703,937,521.27	15,281,096,382.65
Total liabilities and owners' equity (or shareholders' equity)		36,218,947,223.63	32,111,004,317.38

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

**Balance Sheet of Parent Company**

December 31, 2023

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

Unit: RMB

Item	Note	December 31, 2023	December 31, 2022
<b>Current assets:</b>			
Cash and cash equivalents		2,265,528,812.87	1,439,042,451.56
Accounts receivable		33,941,436.69	22,032,390.71
Prepayments		12,620,700.86	11,055,123.31
Other receivables		12,892,088.01	329,607,469.39
Inventory		5,231,744.36	4,599,032.34
Other current assets		3,970,347,163.03	3,650,862,939.52
Total current assets		6,300,561,945.82	5,457,199,406.83
<b>Non-current assets:</b>			
Long-term receivables		31,863,990.46	36,763,731.53
Long-term equity investment		10,598,239,200.32	9,210,422,313.34
Other equity instruments investment		556,897,379.17	499,200,803.85
Other non-current financial assets		121,590,140.86	142,053,056.97
Property investment		4,115,810,590.81	2,803,007,146.68
Fixed assets		3,974,413,890.47	4,122,738,826.73
Construction in progress		2,555,580,061.19	2,318,993,733.00
Right-of-use assets		103,038,184.75	109,853,155.63
Intangible assets		5,610,536,305.45	5,872,460,683.86
Long-term prepaid expenses		308,633,101.63	275,795,256.99
Deferred income tax assets		95,863,135.46	137,378,229.19
Total non-current assets		28,072,465,980.57	25,528,666,937.77
Total assets		34,373,027,926.39	30,985,866,344.60
<b>Current liabilities:</b>			
Short-term borrowings		1,619,804,888.91	1,059,287,361.11
Accounts payable		990,280,605.47	822,773,769.51
Advances from customers		550,737,695.05	861,860,467.12
Contract liabilities		3,003,146,485.10	3,032,044,768.16
Payroll payable		105,072,078.58	139,946,321.85
Tax payable		311,510,488.15	188,723,169.42
Other payables		1,501,163,670.08	1,075,413,151.71
Non-current liabilities due within one year		144,137,373.24	64,688,676.55
Other current liabilities		3,763,504,419.10	3,726,398,088.04
Total current liabilities		11,989,357,703.68	10,971,135,773.47
<b>Non-current liabilities:</b>			
Long-term borrowings		510,290,000.00	404,500,000.00
Bonds payable		3,498,452,484.47	3,497,416,819.75
Lease liabilities		107,858,015.51	110,999,791.68
Estimated liabilities		-	110,620,306.10
Deferred income		102,160,656.23	103,582,129.94
Deferred income tax liabilities		11,434,544.88	13,046,676.14
Total non-current liabilities		4,230,195,701.09	4,240,165,723.61
Total liabilities		16,219,553,404.77	15,211,301,497.08
<b>Owners' equity (or shareholders' equity)</b>			
Paid-in capital (share capital)		5,484,334,176.00	5,486,074,176.00

Capital reserve		1,898,950,817.41	1,885,778,197.50
Less: treasury stocks		74,367,173.75	119,483,675.00
Other comprehensive income		2,453,961.13	-40,818,470.36
Surplus reserve		1,879,597,955.19	1,616,029,660.90
Undistributed profits		8,962,504,785.64	6,946,984,958.48
Total owners' equity (or shareholders' equity)		18,153,474,521.62	15,774,564,847.52
Total liabilities and owners' equity (or shareholders' equity)		34,373,027,926.39	30,985,866,344.60

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

**Consolidated Income Statement**

January-December 2023

Unit: RMB

Item	Note	2023	2022
I. Gross revenue		11,299,686,665.89	7,619,693,742.60
In which: operating revenue		11,299,686,665.89	7,619,693,742.60
II. Gross cost		9,398,535,258.86	7,545,489,637.45
In which: Operating cost		8,305,741,779.40	6,452,909,829.96
Taxes and surcharges		146,196,881.07	198,907,504.01
Sales expenses		240,304,021.01	197,679,981.09
Administrative expenses		559,531,630.75	529,466,270.71
R&D expenses		21,748,987.30	17,377,161.88
Financial expenses		125,011,959.33	149,148,889.80
In which: interest expenses		269,457,747.37	280,924,664.39
Interest income		67,433,620.70	132,216,250.44
Plus: other income		32,220,817.34	38,802,684.45
Investment income (loss is indicated by "-")		1,068,443,512.48	1,041,524,864.25
In which: income from investment in associates and joint ventures		1,035,858,139.92	996,108,417.69
Changes in fair value (loss is indicated by "-")		-52,430,534.83	-5,262,476.59
Credit impairment loss (loss is indicated by "-")		2,136,951.63	-1,815,004.95
Income from disposal of assets (loss is indicated by "-")		153,800,256.65	-941,780.66
III. Operating profit (loss is indicated by "-")		3,105,322,410.30	1,146,512,391.65
Plus: income from non-operating activities		119,567,119.31	7,499,270.88
Less: expenses from non-operating activities		16,817,970.47	4,204,829.93
IV. Profits before tax (loss is indicated by "-")		3,208,071,559.14	1,149,806,832.60
Less: income tax		526,668,944.35	46,205,700.39
V. Net profits (net loss is indicated by "-")		2,681,402,614.79	1,103,601,132.21
(I) Categorized by continuity of operation			
1. Net profits from continuing operation (net loss is indicated by "-")		2,681,402,614.79	1,103,601,132.21
(II) Categorized by ownership			
1. Net profits attributable to shareholders of the parent company (net loss is indicated by "-")		2,676,182,133.26	1,104,719,091.71
Minority interest (net loss is indicated by "-")		5,220,481.53	-1,117,959.50
VI. Other comprehensive income net after tax		47,350,450.91	-84,931,872.51
(I) Other comprehensive income net after tax attributable to owners of the parent company		47,403,170.92	-84,859,208.62
1. Other comprehensive income that cannot be reclassified as profits or loss		43,272,431.49	-107,240,373.69
(3) Changes in fair value of investments in other equity instruments		43,272,431.49	-107,240,373.69
2. Other comprehensive income that will be reclassified as profits or loss		4,130,739.43	22,381,165.07
(1) Other comprehensive income that can be transferred into profit and loss under equity method		885,012.68	4,060,531.46

(6) Difference arising from the translation of foreign currency financial statements		3,245,726.75	18,320,633.61
(II) Other comprehensive income net after tax attributable to minority shareholders		-52,720.01	-72,663.89
VII. Total comprehensive income		2,728,753,065.70	1,018,669,259.70
(I) Total comprehensive income attributable to owners of the parent company		2,723,585,304.18	1,019,859,883.09
(II) Total comprehensive income attributable to minority shareholders		5,167,761.52	-1,190,623.39
VIII. Earnings per share:			
(I) Basic earnings per share		0.49	0.20
(II) Diluted earnings per share		0.49	0.20

In this period, if a business merger occurs under the same control, the net profit realized by the merged party before the merger was 0, and the net profit realized by the merged party in the previous period was 0.

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

**Income Statement of Parent Company**

January-December 2023

Unit: RMB

Item	Note	2023	2022
I. Operating revenue		3,641,735,456.48	1,941,582,561.02
Less: Operating cost		1,083,865,641.44	937,173,155.53
Taxes and surcharges		117,591,024.56	165,751,730.61
Sales expenses		201,312,475.87	198,120,081.31
Administrative expenses		281,496,634.12	269,059,168.76
Financial expenses		155,131,505.49	168,088,031.70
In which: interest expenses		267,263,958.81	281,287,879.72
Interest income		53,028,423.62	122,678,523.33
Plus: other income		15,193,514.90	13,079,397.88
Investment income (loss is indicated by "-")		1,086,824,054.17	948,235,020.44
In which: income from investment in associates and joint ventures		1,077,697,693.84	932,395,547.67
Changes in fair value (loss is indicated by "-")		-20,288,211.11	-31,735,150.35
Credit impairment loss (loss is indicated by "-")		351,544.77	-288,497.31
Income from disposal of assets (loss is indicated by "-")		153,797,464.25	1,019,351.95
II. Operating profits (loss is indicated by "-")		3,038,216,541.98	1,133,700,515.72
Plus: income from non-operating activities		113,602,463.95	6,488,569.32
Less: expenses from non-operating activities		15,060,222.20	3,650,112.77
III. Profits before tax (loss is indicated by "-")		3,136,758,783.73	1,136,538,972.27
Less: income tax		501,075,840.84	27,805,559.97
IV. Net profits (net loss is indicated by "-")		2,635,682,942.89	1,108,733,412.30
(I) Categorized by continuity of operation (net loss is indicated by "-")		2,635,682,942.89	1,108,733,412.30
V. Other comprehensive income net after tax		43,272,431.49	-107,240,373.69
(I) Other comprehensive income that cannot be reclassified as profit or loss		43,272,431.49	-107,240,373.69
3. Changes in fair value of investments in other equity instruments	3	43,272,431.49	-107,240,373.69
VI. Total comprehensive income		2,678,955,374.38	1,001,493,038.61

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

**Consolidated Cash Flow Statement**  
January-December 2023

Unit: RMB

Item	Note	2023	2022
<b>I. Cash flow from operating activities:</b>			
Cash received from sale of goods and rendering of services		11,845,772,312.84	8,663,117,389.69
Cash received for taxes and surcharges refunded		41,491,707.71	319,401,723.98
Other cash receipts relating to operating activities		297,775,481.56	434,715,976.74
Sub-total of cash inflow from operating activities		12,185,039,502.11	9,417,235,090.41
Cash paid for goods and services		8,652,781,970.44	6,134,704,401.79
Cash paid to and on behalf of employees		554,447,408.43	522,242,510.47
Payments of taxes		608,080,567.96	804,862,955.73
Other cash payments relating to operating activities		524,669,705.36	555,334,508.65
Sub-total of cash outflow from operating activities		10,339,979,652.19	8,017,144,376.64
Net cash flow from operating activities		1,845,059,849.92	1,400,090,713.77
<b>II. Cash flow from investing activities:</b>			
Cash received from recovery of investment		126,377,336.34	990,875,547.75
Cash received from investment income		148,337,260.40	162,065,398.30
Net cash received from disposal of property, plant and equipment, intangible assets and other long-term assets		200,359,058.71	13,483,158.58
Net cash received from disposal of subsidiaries and other business units		12,482,830.94	-
Other cash receipts relating to investing activities		799,906,608.09	1,259,208,113.00
Sub-total of cash inflow from investing activities		1,287,463,094.48	2,425,632,217.63
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		2,627,630,588.71	4,114,901,826.31
Cash paid to acquire investments		21,106.36	319,039,459.91
Net cash paid by acquiring subsidiaries and other business units		-	312,616,964.11
Other cash paid related to investing activities		34,806,218.75	41,772,885.00
Sub-total of cash outflow from investing activities		2,662,457,913.82	4,788,331,135.33
Net cash flow from investing activities		-1,374,994,819.34	-2,362,698,917.70
<b>III. Cash flow from financing activities:</b>			
Cash received from borrowings		7,593,601,904.18	14,419,431,088.06
Sub-total of cash inflow from financing activities		7,593,601,904.18	14,419,431,088.06
Cash paid for debts repayment		6,495,200,000.00	14,774,484,040.95
Cash paid for distribution of dividends or profits or payment of interest		594,916,647.30	652,035,197.63

Other cash paid related to financing activities		43,000,125.88	50,128,807.59
Sub-total of cash outflow from financing activities		7,133,116,773.18	15,476,648,046.17
Net cash flow from financing activities		460,485,131.00	-1,057,216,958.11
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>		-1,572,164.03	-5,442,221.79
<b>V. Net increase in cash and cash equivalents</b>		928,977,997.55	-2,025,267,383.83
Plus: opening balance of cash and cash equivalents		1,981,200,941.64	4,006,468,325.47
<b>VI. Closing balance of cash and cash equivalents</b>		2,910,178,939.19	1,981,200,941.64

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

**Cash Flow Statement of Parent Company**  
January-December 2023

Unit: RMB

Item	Note	2023	2022
<b>I. Cash flow from operating activities:</b>			
Cash received from sale of goods and rendering of services		3,642,520,110.94	2,757,913,722.02
Cash received for taxes and surcharges refunded		-	248,723,587.20
Other cash receipts relating to operating activities		168,942,827.40	223,084,596.77
Sub-total of cash inflow from operating activities		3,811,462,938.34	3,229,721,905.99
Cash paid for goods and services		726,854,063.79	562,286,375.43
Cash paid to and on behalf of employees		275,272,953.29	281,130,313.54
Payments of taxes		381,133,816.82	710,961,271.08
Other cash payments relating to operating activities		374,603,821.61	403,432,298.40
Sub-total of cash outflow from operating activities		1,757,864,655.51	1,957,810,258.45
Net cash flow from operating activities		2,053,598,282.83	1,271,911,647.54
<b>II. Cash flow from investing activities:</b>			
Cash received from recovery of investment		810,243.65	1,095,641,009.05
Cash received from investment income		132,091,654.39	128,261,072.18
Net cash received from disposal of property, plant and equipment, intangible assets and other long-term assets		200,268,213.08	4,820,113.40
Net cash received from disposal of subsidiaries and other business units		-	9,380,000.00
Other cash receipts relating to investing activities		675,140,683.19	1,221,892,831.00
Sub-total of cash inflow from investing activities		1,008,310,794.31	2,459,995,025.63
Cash paid to acquire and construct fixed assets, intangible assets and other long-term assets		1,719,700,944.06	3,579,149,669.56
Cash paid to acquire investments		605,189,661.99	1,214,422,943.13
Other cash paid related to investing activities		34,806,218.75	-
Sub-total of cash outflow from investing activities		2,359,696,824.80	4,793,572,612.69
Net cash flow from investing activities		-1,351,386,030.49	-2,333,577,587.06
<b>III. Cash flow from financing activities:</b>			
Cash received from borrowings		7,226,963,041.15	14,419,431,088.06
Sub-total of cash inflow from financing activities		7,226,963,041.15	14,419,431,088.06
Cash paid for debts repayment		6,495,200,000.00	14,774,484,040.95
Cash paid for distribution of dividends or profits or payment of interest		590,879,374.03	652,035,197.63
Other cash paid related to financing activities		16,609,497.18	26,540,591.93
Sub-total of cash outflow from financing activities		7,102,688,871.21	15,453,059,830.51

Net cash flow from financing activities		124,274,169.94	-1,033,628,742.45
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>		-	-
<b>V. Net increase in cash and cash equivalents</b>		826,486,422.28	-2,095,294,681.97
Plus: opening balance of cash and cash equivalents		1,431,822,390.59	3,527,117,072.56
<b>VI. Closing balance of cash and cash equivalents</b>		2,258,308,812.87	1,431,822,390.59

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

**Statement of Changes in Consolidated Owners' Equity**  
January-December 2023

Unit: RMB

Item	2023									
	Equity attributable to owners of the parent company								Minority interest	Total owners' equity
	Paid-in capital (share capital)	Capital reserve	Less: treasury stocks	Other comprehensive income	Surplus reserve	General risk reserve	Undistributed profits	Sub-total		
I. Balance at the end of previous year	5,486,074,176.00	1,651,146,033.96	119,483,675.00	-24,008,473.60	1,616,083,136.73	1,038,991.13	6,651,440,591.35	15,262,290,780.57	18,805,602.08	15,281,096,382.65
II. Opening balance of the current year	5,486,074,176.00	1,651,146,033.96	119,483,675.00	-24,008,473.60	1,616,083,136.73	1,038,991.13	6,651,440,591.35	15,262,290,780.57	18,805,602.08	15,281,096,382.65
III. YoY change (decrease is indicated by "-")	-1,740,000.00	15,736,053.64	-45,116,501.25	47,403,170.92	263,568,294.29	3,854,655.84	2,052,164,361.69	2,426,103,037.63	-3,261,899.01	2,422,841,138.62
(I) Total comprehensive income	-	-	-	47,403,170.92	-	-	2,676,182,133.26	2,723,585,304.18	5,167,761.52	2,728,753,065.70
(II) Owners' contribution to and reduction in capital	-1,740,000.00	15,736,053.64	-45,116,501.25	-	-	-	-	59,112,554.89	-	59,112,554.89
3. Amount of share-based payment into owner's equity	-1,740,000.00	13,172,619.91	-45,116,501.25	-	-	-	-	56,549,121.16	-	56,549,121.16
4. Others	-	2,563,433.73	-	-	-	-	-	2,563,433.73	-	2,563,433.73
(III) Profits distribution	-	-	-	-	263,568,294.29	3,854,655.84	-624,017,771.57	-356,594,821.44	-	-356,594,821.44
1. Withdrawal of surplus reserve	-	-	-	-	263,568,294.29	-	-263,568,294.29	-	-	-
2. Withdrawal of provision for general risks	-	-	-	-	-	3,854,655.84	-3,854,655.84	-	-	-
3 · Distribution to owners (or shareholders)	-	-	-	-	-	-	-356,594,821.44	-356,594,821.44	-	-356,594,821.44

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(VI) Others	-	-	-	-	-	-	-	-	-8,429,660.53	-8,429,660.53
IV. Closing balance of the current period	5,484,334,176.00	1,666,882,087.60	74,367,173.75	23,394,697.32	1,879,651,431.02	4,893,646.97	8,703,604,953.04	17,688,393,818.20	15,543,703.07	17,703,937,521.27

Item	2022									
	Equity attributable to owners of the parent company								Minority interest	Total owners' equity
	Paid-in capital (share capital)	Capital reserve	Less: treasury stocks	Other comprehensive income	Surplus reserve	General risk reserve	Undistributed profits	Sub-total		
I. Balance at the end of previous year	5,491,274,176.00	1,631,509,114.96	137,494,800.00	60,850,735.02	1,505,209,795.50	-	6,059,496,846.85	14,610,845,868.33	19,996,225.47	14,630,842,093.80
II. Opening balance of the current year	5,491,274,176.00	1,631,509,114.96	137,494,800.00	60,850,735.02	1,505,209,795.50	-	6,059,496,846.85	14,610,845,868.33	19,996,225.47	14,630,842,093.80
III. YoY change (decrease is indicated by "-")	-5,200,000.00	19,636,919.00	-18,011,125.00	-84,859,208.62	110,873,341.23	1,038,991.13	591,943,744.50	651,444,912.24	-1,190,623.39	650,254,288.85
(I) Total comprehensive income	-	-	-	-84,859,208.62	-	-	1,104,719,091.71	1,019,859,883.09	-1,190,623.39	1,018,669,259.70
(II) Owners' contribution to and reduction in capital	-5,200,000.00	19,636,919.00	-18,011,125.00	-	-	-	-	32,448,044.00	-	32,448,044.00
3. Amount of share-based payment into owner's equity	-5,200,000.00	19,636,919.00	-18,011,125.00	-	-	-	-	32,448,044.00	-	32,448,044.00
(III) Profits distribution	-	-	-	-	110,873,341.23	1,038,991.13	-512,775,347.21	-400,863,014.85	-	-400,863,014.85
1. Withdrawal of surplus reserve	-	-	-	-	110,873,341.23	-	-110,873,341.23	-	-	-
2. Withdrawal of provision for general risks	-	-	-	-	-	1,038,991.13	-1,038,991.13	-	-	-

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

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

**Statement of Changes in Owners' Equity of Parent Company**  
January-December 2023

Unit: RMB

Item	2023						
	Paid-in capital (share capital)	Capital reserve	Less: treasury stocks	Other comprehensive income	Surplus reserve	Undistributed profits	Total owners' equity
I. Balance at the end of previous year	5,486,074,176.00	1,885,778,197.50	119,483,675.00	-40,818,470.36	1,616,029,660.90	6,946,984,958.48	15,774,564,847.52
II. Opening balance of the current year	5,486,074,176.00	1,885,778,197.50	119,483,675.00	-40,818,470.36	1,616,029,660.90	6,946,984,958.48	15,774,564,847.52
III. YoY change (decrease is indicated by "-")	-1,740,000.00	13,172,619.91	-45,116,501.25	43,272,431.49	263,568,294.29	2,015,519,827.16	2,378,909,674.10
(I) Total comprehensive income	-	-	-	43,272,431.49	-	2,635,682,942.89	2,678,955,374.38
(II) Owners' contribution to and reduction in capital	-1,740,000.00	13,172,619.91	-45,116,501.25	-	-	-	56,549,121.16
3. Amount of share-based payment into owner's equity	-1,740,000.00	13,172,619.91	-45,116,501.25	-	-	-	56,549,121.16
4 · Others	-	-	-	-	-	-	-
(III) Profits distribution	-	-	-	-	263,568,294.29	-620,163,115.73	-356,594,821.44
1. Withdrawal of surplus reserve	-	-	-	-	263,568,294.29	-263,568,294.29	-
2. Distribution to owner (or shareholders)	-	-	-	-	-	-356,594,821.44	-356,594,821.44
IV. Closing balance of the current period	5,484,334,176.00	1,898,950,817.41	74,367,173.75	2,453,961.13	1,879,597,955.19	8,962,504,785.64	18,153,474,521.62

Item	2022						
	Paid-in capital (share capital)	Capital reserve	Less: treasury stocks	Other comprehensive income	Surplus reserve	Undistributed profits	Total owners' equity
I. Balance at the end of previous year	5,491,274,176.00	1,866,141,278.50	137,494,800.00	66,421,903.33	1,505,156,319.67	6,349,987,902.26	15,141,486,779.76
II. Opening balance of the current year	5,491,274,176.00	1,866,141,278.50	137,494,800.00	66,421,903.33	1,505,156,319.67	6,349,987,902.26	15,141,486,779.76
III. YoY change (decrease is indicated by "-")	-5,200,000.00	19,636,919.00	-18,011,125.00	-107,240,373.69	110,873,341.23	596,997,056.22	633,078,067.76
(I) Total comprehensive income	-	-	-	-107,240,373.69	-	1,108,733,412.30	1,001,493,038.61
(II) Owners' contribution to and reduction in capital	-5,200,000.00	19,636,919.00	-18,011,125.00	-	-	-	32,448,044.00
3. Amount of share-based payment into owner's equity	-5,200,000.00	19,636,919.00	-18,011,125.00	-	-	-	32,448,044.00

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(III) Profits distribution	-	-	-	-	110,873,341.23	-511,736,356.08	-400,863,014.85
1. Withdrawal of surplus reserve	-	-	-	-	110,873,341.23	-110,873,341.23	-
2. Distribution to owner (or shareholders)	-	-	-	-	-	-400,863,014.85	-400,863,014.85
IV. Closing balance of the current period	5,486,074,176.00	1,885,778,197.50	119,483,675.00	-40,818,470.36	1,616,029,660.90	6,946,984,958.48	15,774,564,847.52

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's headquarters is located at No. 567 Yinhai Road, Futian Street, Yiwu City, Jinhua City, Zhejiang Province.

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

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

The financial statements were approved for release by the Board of Directors of the Company on April 17, 2024. According to the Company's articles of association, these financial statements are to be submitted to the general meeting of shareholders for deliberation.

### IV. Basis of preparation of financial statements

#### 1. Basis of preparation

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

The financial statements were prepared in accordance with the Accounting Standards for Enterprises-Basic Standards and the specific accounting standards, application guidelines, interpretations and other related regulations promulgated and amended thereafter (collectively referred to as "Accounting Standards"). In addition, the financial statements also disclose relevant financial information in accordance with the Rule No. 15 for the Preparation and Disclosure of Information by Companies Offering Securities to the Public - General Provisions for Financial Reporting.

#### 2. Going concern

Applicable Not applicable

As of December 31, 2023, after deducting the contractual liabilities and prepayments of the Group's future revenue to be recognized through services or goods settlement, as well as prepayments for goods or services that the Group would receive in the future, the Group's current liabilities exceeded its current assets by RMB 3,505,123,751.42. The Board of Directors of the Company has comprehensively considered the following sources of funds that the Group can obtain: 1. The expected net cash inflows from operating activities in the next 12 months; 2. As of December 31, 2023, the credit limit unused from banking institutions of the Group was RMB 4,745,500,000.00, of which RMB650,000,000.00 should be renewed within the next 12 months. The board of directors of the Company is convinced that the available credit line can be re-approved when it expires based on past experience and good reputation; 3. In view of the credit history of the group, other available financing channels from banks and other financial institutions; 4. , The Group's controlling shareholder CCCH has promised to continue to provide sufficient financial support in the foreseeable future.

After evaluation, the Board of Directors of the Company believed that the Group had sufficient resources to continue operating for a foreseeable future period of no less than 12 months from the end of this reporting period. Therefore, the Board of Directors of the Company continued to prepare the financial statements of the Group for the year 2023 based on going concern.

### 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 estimates based on the actual production and operation characteristics, mainly reflected in bad debt provisions for accounts receivable, inventory valuation methods, provision for inventory depreciation, fixed asset depreciation, intangible asset amortization, revenue recognition and measurement, division of investment real estate and fixed assets, and the useful life and residual value of fixed assets.

### 1. Statement of compliance with the Accounting Standards

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

### 2. Accounting period

The fiscal year of the Group starts from January 1 until December 31 of each calendar year.

### 3. Operating cycle

Applicable Not applicable

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

### 4. Functional currency

The Company's functional currency is RMB.

The 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. Method for determining importance criteria and selection basis

Applicable Not applicable

Item	Importance criteria
Important debt investment	Amount greater than RMB 10 million
Important construction in progress	Amount greater than RMB 10 million
Important minority shareholders' interest	The total assets are greater than RMB 100 million and the minority shareholder's shareholding ratio is greater than or equal to 5%
Important joint ventures or associates	Investment targets that align with the Group's development strategy

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

Applicable Not applicable

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

#### Mergers of the enterprises under common control

If the enterprises participating in the merger are ultimately controlled by the same party or the same parties before and after the merger, and the control is not temporary, the deal is a business merger under the same control.

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 enterprises not under common control**

If the enterprises participating in the merger are not under the ultimate control of the same party or the same parties before and after the merger, the deal is business merger not under the same control.

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. The difference between the merger cost and the fair value share of the identifiable net assets obtained from the acquired party in the merger is recognized as goodwill and subsequently measured at cost minus accumulated impairment losses. If the merger cost is less than the fair value share of the identifiable net assets obtained from the acquired party in the merger, the fair values of the identifiable assets, liabilities, and contingent liabilities obtained from the acquired party, as well as the measurement of the merger cost, shall be reviewed. If the merger cost is still less than the fair value share of the identifiable net assets obtained from the acquired party in the merger, the difference shall be recognized in gains and losses for this period.

**7. Judgment criteria for control and preparation methods for 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). When and only when the investor possesses the following three elements, the investor can control the investee: the investor has the power over the investee; enjoy variable returns due to participation in related activities of the invested party; ability to exercise power over the invested party to influence its return amount.

If the accounting policies or accounting periods adopted by the subsidiary and the Company are inconsistent, necessary adjustments shall be made to the subsidiary's financial statements in accordance with the Company's accounting policies and accounting periods when preparing the consolidated financial statements. Assets, liabilities, equity, income, expenses and cash flows generated from all deals between companies within the Group are fully offset at the time of merger.

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

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

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

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

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

**8. 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.

## 9. Criteria for the identification of cash and cash equivalents

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

## 10. 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. Foreign currency non-monetary items measured at historical cost are still converted using the exchange rate used at initial recognition, without changing their accounting base currency amount. The foreign currency non-monetary items measured by fair value are translated according to the spot exchange rate on the fair value determination date and the difference arising therefrom is recognized in the profit or loss or other comprehensive income for the current period based on the nature of the items.

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

Foreign currency cash flows and cash flows of overseas subsidiaries are converted using the average exchange rate for the period in which the cash flows occur (unless exchange rate fluctuations make the exchange rate inappropriate, the spot exchange rate on the day the cash flows occur) is used for conversion. The amount of impact of the changes in exchange rate on cash is separately stated in the cash flow statement as an adjustment item.

## 11. 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. charging off the asset from its account and balance sheet, if:

- (1) The right to receive cash flows from financial assets expires;
- (2) The Company transferred the right to receive cash flows from financial assets, or assumed the obligation to timely and fully pay the received cash flows to third parties under a "pass through agreement"; and essentially transferred almost all the risks and rewards of ownership of the financial asset, or relinquished control over the financial asset even though it neither transferred nor retained almost all the risks and rewards of ownership.

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. Buying and selling financial assets in a conventional manner refers to the purchase or sale of financial assets in accordance with contractual provisions, and the terms of the contract stipulate that financial assets are delivered according to the time schedule usually determined by regulations or market practices. The transaction date refers to the date when the Group promises to buy or sell the financial assets.

#### **Classification and measurement of financial assets**

The financial assets of the Group are classified at initial recognition based on the business model of managing financial assets and the contractual cash flow characteristics of financial assets as financial assets measured at amortized cost, financial assets measured at fair value with changes recognized in other comprehensive income, and financial assets measured at fair value with changes recognized in current period profit and loss. All affected related financial assets will be reclassified only when the Group changes its business model for managing financial assets.

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

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

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

#### **Investment in debt instruments measured by amortized cost**

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

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

The Group has irrevocably chosen to designate some non-trading equity instrument investments as the financial assets that are measured by fair value and of which the changes in fair value are recognized in other comprehensive income. Only the related dividend income (except for the dividend income expressly acting as a recovery of investment cost) is

recognized in the profit or loss for the current period, while the subsequent changes in fair value are recognized in other comprehensive income, and no provision is required for impairment. When the financial assets are derecognized, the accumulated gains or losses previously recognized in other comprehensive income will be moved out of other comprehensive income and recognized in retained earnings.

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

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

**Classification and measurement of financial liabilities**

The financial liabilities of the Group are classified at initial recognition as financial liabilities measured at fair value through profit or loss, and financial liabilities measured at amortized cost. For financial liabilities measured at fair value through profit or loss, the relevant transaction costs are directly recognized in profit or loss, while the relevant transaction costs of financial liabilities measured at amortized cost are recognized in their initial recognition amount.

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

Financial liabilities measured at fair value through profit or 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.

Financial assets measured at amortized cost

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

**Impairment of financial instruments**

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

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

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

The Group evaluates the expected credit losses of financial instruments on the individual and group bases. The Group considers the credit risk characteristics of different customers, evaluates the expected credit losses of accounts receivable based on common risk characteristics and aging combinations, and determines the aging based on the invoicing date.

Except for financial instruments that are evaluated for expected credit losses in the aforementioned combination, the Group assesses their expected credit losses in a single item.

Please refer to Note XII. 1. Risk of Financial Instruments for the disclosure of the criteria for significantly increasing credit risk and the definition of credit impairment assets that have occurred by the Group.

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

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

## 12. Notes receivable

Applicable Not applicable

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

Applicable Not applicable

### Combination classification and determination basis of combined provision for bad debt based on credit risk characteristics

Applicable Not applicable

### Methods for calculating aging based on the credit risk characteristics combination confirmed by aging

Applicable Not applicable

### Judgment criteria for individual provision for bad debt based on individual provision

Applicable Not applicable

## 13. Accounts receivable

Applicable Not applicable

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

Applicable Not applicable

Please refer to Note V - Important Accounting Policies and Accounting Estimates - 11. Financial Instruments.

### Combination classification and determination basis of combined provision for bad debt based on credit risk characteristics

Applicable Not applicable

Please refer to Note V - Important Accounting Policies and Accounting Estimates - 11. Financial Instruments.

### Methods for calculating aging based on the credit risk characteristics combination confirmed by aging

Applicable Not applicable

Please refer to Note V - Important Accounting Policies and Accounting Estimates - 11. Financial Instruments.

### Recognition criteria for individual provision of bad debt

Applicable Not applicable

Please refer to Note V - Important Accounting Policies and Accounting Estimates - 11. Financial Instruments.

**14. Accounts receivable financing**

Applicable Not applicable

**15. Other receivables**

Applicable Not applicable

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

Applicable Not applicable

Please refer to Note V - Important Accounting Policies and Accounting Estimates - 11. Financial Instruments.

**Combination classification and determination basis of combined provision for bad debt based on credit risk characteristics**

Applicable Not applicable

Please refer to Note V - Important Accounting Policies and Accounting Estimates - 11. Financial Instruments.

**Methods for calculating aging based on the credit risk characteristics combination confirmed by aging**

Applicable Not applicable

**Judgment criteria for individual provision for bad debt based on individual provision**

Applicable Not applicable

**16. Inventory**

Applicable Not applicable

**Inventory category, valuation method for issuance, inventory system, amortization method for low-value consumables and packaging materials**

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 charging-off 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.

**Recognition criteria and provision methods for provision for inventory depreciation**

Applicable Not applicable

On the balance sheet date, inventory is measured by cost and net realizable value, whichever is lower. If the cost is higher than the net realizable value, provision will be made for inventory depreciation, which will be recognized in the profit or loss for the current period. Net realizable value is the estimated selling price of inventory less the cost estimated to occur as of completion, estimated sales expenses and related taxes. In principle, provisions for inventory depreciation shall be made for inventory items individually. For the inventory with a large quantity and a low unit price, inventory depreciation provision will be made based on the Groups of items.

**Combination classification and determination basis for combined provision for inventory depreciation, and determination basis for net realizable value of inventory of different categories**

Applicable Not applicable

**Calculation methods and determination basis for the net realizable value of each inventory age combination based on inventory age confirmation**

Applicable Not applicable

**17. Contract assets**

Applicable Not applicable

**18. Non-current assets or disposal groups held for sale**

Applicable Not applicable

**Recognition criteria and accounting treatment methods for non-current assets or disposal groups classified as held for sale**

Applicable Not applicable

**Recognition criteria and reporting methods for termination of operations**

Applicable Not applicable

**19. 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. The initial investment cost for long-term equity investments obtained through the merger of enterprises under the same control shall be the share of the book value of the owner's equity of the merged party obtained on the merger date in the consolidated financial statements of the ultimate controlling party; The difference between the initial investment cost and the book value of the merger consideration shall be adjusted to the capital reserve (if it is not sufficient to offset, it shall be offset against retained earnings). Long term equity investments obtained through mergers of enterprises not under the same control are initially invested at the cost of the merger (if the merger of enterprises not under the same control is achieved through multiple transactions in steps, the initial investment cost is the sum of the book value of the equity investments held by the acquired party before the purchase date and the newly added investment cost on the purchase date). 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.

## 20. Property investment

### (1). In cost measurement model:

#### Depreciation or amortization methods

Investment real estate refers to real estate held for the purpose of earning rent or capital appreciation, or both.

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

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

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

## 21. Fixed assets

### (1). Recognition requirements

Applicable Not applicable

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

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

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

### (2). Depreciation methods

Applicable Not applicable

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

## 22. 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 is transferred to fixed assets, investment real estate and long-term deferred expenses when it reaches the expected serviceable condition. The standards are as follows:

	Standards for carrying forward fixed assets
Buildings and structures	Actual start of use
Machinery equipment	Completion of installation and commissioning
Transportation equipment	Obtaining a transportation vehicle driving license
Other equipment	Actual start of use or completion of installation and debugging

## 23. Borrowing costs

Applicable Not applicable

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.

When capital expenditures and borrowing costs have already occurred, and the necessary acquisition or production activities to bring the asset to its intended usable or saleable state have begun, borrowing costs begin to be capitalized.

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 the capitalization period, the capitalization amount of interest for each accounting period shall be determined according to the following method: specialized loans shall be determined based on the actual interest expenses incurred in this period, minus temporary deposit interest income or investment income; The general borrowing used is calculated and determined based on the weighted average of the accumulated asset expenses exceeding the special borrowing portion multiplied by the weighted average interest rate of the general borrowing used.

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.

**24. Biological assets**

Applicable Not applicable

**25. Oil and gas assets**

Applicable Not applicable

**26. Intangible assets****(1). Service life and its determination basis, estimated situation, amortization method or review procedure**

Applicable Not applicable

Goodwill is an intangible asset with an uncertain useful life. Such intangible assets are not amortized, and impairment testing is conducted annually regardless of whether there are signs of impairment; During each accounting period, its useful life is reviewed, and if there is evidence that its useful life is limited, accounting treatment is carried out according to the policy of intangible assets with limited useful life.

The remaining intangible assets are amortized using the straight-line method over their useful lives, with the following useful lives:

Category	Service life	Determination basis
Land use right	40-50 years	Term of land use rights
Software and software copyright	10 years	Which is shorter between the contract period and the expected service life

**(2). The scope of R&D expenditure collection and related accounting treatment methods**

Applicable Not applicable

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

**27. Impairment of long-term assets**

Applicable Not applicable

The impairment of assets other than inventory, deferred income tax assets, and financial assets is determined using the following method: on the balance sheet date, it is determined whether there are signs of possible impairment of assets. If there are signs of impairment, the Group will estimate their recoverable amount and conduct impairment testing; For goodwill formed by business mergers, intangible assets with uncertain useful lives, and intangible assets that have not yet reached a usable state, regardless of whether there are signs of impairment, impairment testing shall be conducted at least at the end of each 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.

As for the impairment test of goodwill, the book value of goodwill shall be allocated to the relevant asset groups or asset group combinations in a reasonable manner from the date of purchase. The relevant asset groups or asset group combinations refer to asset groups or asset group combinations that can benefit from the synergistic effects of enterprise mergers, and are not larger than the operating segments determined by the Group.

Compare the book value and recoverable amount of asset groups or asset group combinations that contain goodwill. If the recoverable amount is lower than the book value, the impairment loss amount is first offset against the book value of goodwill allocated to the asset group or asset group combination. Then, based on the proportion of the book value of other assets in the asset group or asset group combination except for goodwill, the book value of other assets is proportionally offset.

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

## 28. Long-term prepaid expenses

Applicable Not applicable

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

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

## 29. Contract liabilities

Applicable Not applicable

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.

## 30. Employee compensations

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

Applicable Not applicable

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

### (2). Accounting treatment of post-employment benefits

Applicable Not applicable

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

### (3). Accounting treatment of severance benefits

Applicable Not applicable

Where the Group provides severance benefits to its employees, the employee compensation liabilities arising from the severance benefits will be recognized, and the amount will be recognized in the profit or loss for the current period on the earlier date below: the date when the Group cannot unilaterally withdraw the severance benefits provided as a result of the

employment termination plan or downsizing proposal; or the date when the Group recognizes the costs or expenses relating to the reorganization involving the payment of severance benefits.

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

Applicable Not applicable

**31. Estimated liabilities**

Applicable Not applicable

Except for the contingent consideration and liabilities assumed in the merger of enterprises not under the same control, obligations related to contingencies are current obligations assumed by the Group and the performance of such obligations is likely to result in the outflow of economic benefits from the Group. If the relevant amount can be reliably measured, the Group recognizes them as estimated liabilities.

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. Review the book value of estimated liabilities on the balance sheet date and make appropriate adjustments to reflect the current best estimate.

**32. 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. The fair value of equity instruments is determined using market quotations, as detailed in Note XIII. 2.

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.

**33. Preferred shares, perpetual bonds and other financial instruments**

Applicable Not applicable

**34. Revenue**

**(1). Disclosure of accounting policies adopted for revenue recognition and measurement by business type**

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**

Sales contracts between the Group and customers typically include commitments to transfer goods, which may vary depending on the customer's agreement. As customers are able to benefit separately from the aforementioned goods or services or use them together with other readily available resources, and there is no significant integration, modification, customization, or high correlation between the aforementioned goods or services, the Group considers them as clearly distinguishable goods and constitutes separate performance obligations.

On the basis of comprehensive consideration of the following factors, the Group recognizes revenue at the time when the customer obtains control over the relevant goods: the current right to receive payment for the goods, the transfer of the main risks and rewards of ownership of the goods, the transfer of legal ownership of the goods, the transfer of physical assets of the goods, and the customer's acceptance of the goods.

#### **Service contracts**

The service contracts between the Group and customers usually include performance obligations such as providing the use of shops in the China Commodities City markets and the supporting services for operation, providing hotel accommodation and catering services, providing paid use services for funds to external parties of the Group, and providing collection and payment services.

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

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

Hotel accommodation business

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

Hotel catering business

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

#### **Terminable paid use of funds 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). Adopting different business models for similar businesses involves different revenue recognition methods and measurement methods**

Applicable Not applicable

**35. Contract cost**

Applicable Not applicable

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

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

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

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

(2) This cost increases the resources that the enterprise will use in the future to fulfill its contractual obligations;

(3) This cost is expected to be recovered.

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

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

(1) The expected remaining consideration that the enterprise can obtain from the transfer of goods or services related to the asset;

(2) The estimated cost to be incurred for the transfer of the relevant goods or services.

**36. Government grants**

Applicable Not applicable

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

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

The Group recognizes government subsidies received using the total amount method.

Government subsidies related to income, used to compensate for related costs or losses in future periods, are recognized as deferred income and are recognized in this period's profit or loss or offset against related costs during the period of recognition of related costs or losses; For compensating for related costs or losses that have already occurred, they are directly recognized in this period's profit and loss or offset against related costs. The Group recognizes government subsidies received using the total amount method.

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

### 37. Deferred income tax assets and deferred income tax liabilities

Applicable Not applicable

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

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

(1) Taxable temporary differences arise in the following transactions: initial recognition of goodwill, or initial recognition of assets or liabilities arising from individual transactions with the following characteristics: the transaction is not a business merger, the transaction does not affect accounting profits or taxable income or deductible losses at the time of occurrence, and the initially recognized assets and liabilities do not result in equal amounts of taxable temporary differences and deductible temporary differences;

(2) For taxable temporary differences related to investments in subsidiaries, joint ventures, and associates, the timing of the reversal of such temporary differences can be controlled and it is likely that they will 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) Deductible temporary differences arise in the following individual transactions: the transaction is not a business merger, the transaction does not affect accounting profits or taxable income or deductible losses at the time of occurrence, and the initially recognized assets and liabilities do not result in an equal amount of taxable temporary differences and deductible temporary differences;

(2) For deductible temporary differences related to investments in subsidiaries, joint ventures, and associates, such temporary differences are likely to be reversed in the foreseeable future and are likely to receive taxable income used to offset such 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.

### 38. Lease

√Applicable Not applicable

#### **Judgment basis and accounting treatment methods for simplifying short-term leases and low-value asset leases as a lessee**

√Applicable Not applicable

The Group recognizes leases with a lease term not exceeding 12 months and excluding purchase options as short-term leases on the commencement date of the lease term; Leases with lower value when a single leased asset is considered a brand new asset are recognized as low-value asset leases. The Group chooses not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. In each period of the lease term, it is included in the relevant asset cost or current profit and loss on a straight-line basis.

#### **Classification criteria and accounting treatment methods for leasing as a lessor**

√Applicable Not applicable

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

Rental income from operating leases is recognised in profit or loss on a straight-line basis over each period of the lease term, and variable lease payments not included in lease receipts are included in profit or loss for the current period when actually incurred. The capitalized initial direct expenses shall be amortized on the same basis recognized with the rental income during the lease period, and shall be included in the current profit and loss in installments.

### 39. Other important accounting policies and accounting estimates

√Applicable Not applicable

#### **Measurement of fair value**

The Group measures the fair values of equity instruments investments on each balance sheet date. Fair value refers to the price received from the sale of an asset or paid for the transfer of a liability by a market player in the orderly transactions on the measurement date.

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

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

#### **Significant accounting judgments and estimates**

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

#### **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.

***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 officers, the risks affecting the performance of financial assets, the way of managing financial assets and the way of related business management personnel obtaining remunerations. When assessing whether to aim at the collection of contractual cash flow, the Group needs to analyze the reasons, time, frequency and value for sale of the financial assets to be sold before the expiry dates thereof.

***Characteristics of contractual cash flow***

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

***Uncertainties of estimates***

The following are key assumptions regarding the future at the balance sheet date and other key sources of estimation uncertainty that may result in significant adjustments to the book value of assets and liabilities in 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. Non-current assets other than financial assets are subject to impairment testing when there are indications that their book value is irrecoverable. 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. Please refer to Note VI. 21 for details.

**Goodwill impairment**

The Group tests goodwill for impairment at least annually. This requires estimating the present value of the future cash flows of the asset group or combination of asset groups to which the goodwill is allocated. When estimating the present value of future cash flows, the Group needs to estimate the cash flows generated by future asset groups or combinations of asset groups, and at the same time select an appropriate discount rate to determine the present value of future cash flows. Please refer to Note VI. 27 for details.

**Fair value of unlisted equity investment**

The Group determines the fair value of non-listed equity investments based on the expected future cash flows discounted at the current discount rate of other financial instruments with similar contractual terms and risk characteristics. This requires the Group to estimate the expected future cash flows, credit risk, volatility and discount rate, which brings uncertainties.

**Development expenses**

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

**Deferred income tax assets**

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

**Lessee incremental borrowing interest rate**

For leases where the interest rate implicit in the lease cannot be determined, the Group uses the lessee's incremental borrowing rate as the discount rate to calculate the present value of the lease payments. When determining the incremental borrowing rate, the Group takes the observable interest rate as the reference basis for determining the incremental borrowing rate according to the economic environment it is in. On this basis, the Group adjusts the reference interest rate according to its own situation, the underlying asset situation, the lease term, the amount of lease liabilities and other specific conditions of the lease business to obtain the applicable incremental borrowing rate.

**40. Changes in important accounting policies and accounting estimates**

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

Applicable Not applicable

Unit: RMB

Contents and reason for changes in accounting policies	Name of statement items that are significantly affected	Affected amount
According to Interpretation No. 16 of the Accounting Standards for Enterprises issued in 2022, for individual transactions that are not business combinations, do not affect accounting profits or taxable income (or deductible losses) at the time of transaction, and result in equal taxable temporary differences and deductible temporary differences due to initially recognized	NA	NA

assets and liabilities, the exemption from initially recognized deferred income tax is not applicable		
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## Other statements

This regulation took effect in the Group from January 1, 2023. Due to the implementation of this accounting treatment regulation, there will be no impact on the consolidated financial statements of the Company and the financial statements of the parent company.

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

Applicable Not applicable

**(3). From 2023, the first implementation of new accounting standards or standard interpretations would involve adjustments to the financial statements at the beginning of the first implementation year**

Applicable Not applicable

**41. Other**

Applicable Not applicable

**VI. Taxes****1. Major taxes and tax rates**

Major taxes and tax rates

Applicable Not applicable

Tax	Base of taxation	Rate
VAT	The difference between the output tax amount calculated based on sales revenue and applicable tax rates, and the input tax amount allowed for deduction	The Company is a general taxpayer, and the taxable income is calculated for output tax at the tax rates of 13%, 9%, and 6%. Value added tax is calculated and paid based on the difference after deducting the input tax allowed for deduction in this period. In addition, for the sale of self-developed old real estate projects (the contract commencement date specified in the Construction Engineering Construction Permit is before April 30, 2016) and the rental of real estate acquired by the Group before April 30, 2016, the simplified tax calculation method is applicable, and the payable tax amount is calculated and paid at a 5% tax rate
Urban maintenance and construction tax	Actual paid value-added tax amount	Paid at 5% or 7% of the actual turnover tax paid.
Corporate income tax	Taxable Income	Except for the tax incentives listed in Note VI. 1 and the subsidiaries registered in Prague, Czech Republic, Hong Kong Special Administrative Region, Germany, Kenya, Rwanda, and Dubai, the corporate income tax of the Company and its subsidiaries within the Group is calculated and paid at 25% of the taxable income.
Land appreciation tax	Value added from the transfer of real estate	According to the ratio of value-added to deduction items, a four-level progressive tax rate (30% to 60%) will be implemented for exceeding the rate.

Real estate tax	Ad valorem taxation: deducting a certain proportion from the original value of the property Levy based on rent: rental income	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.
Education surcharge	Actual paid value-added tax amount	Paid at 3% of the actual turnover tax paid.
Local education surcharge	Actual paid value-added tax amount	Paid at 2% of the actual turnover tax paid.
Cultural undertaking development fee	Advertising turnover	Calculated and paid at 3% of the advertising industry's revenue.

## Disclosure of taxpayers subject to different income tax rates

√Applicable □Not applicable

Taxpayer	Income tax rate (%)
Huafrica (Kenya) Investment Development Co., Limited	30.00
BETTER SILK ROAD RWANDA Ltd	30.00
European Huajie Investment Development Co., Ltd.	19.00
Yiwu China Commodities City (Hong Kong) International Trade Co., Ltd.	16.50
Hong Kong Better Silk Road Co., Ltd.	16.50
Yiwu China Commodity City (Germany) Co., Ltd.	15.00
Yiwu China Commodities City Big Data Co., Ltd.	15.00
BETTER SILK ROAD FZE	Not subject to corporate income tax

**2. Tax preference**

√Applicable □Not applicable

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

**3. Other**

□Applicable √Not applicable

**VII. Notes to items in consolidated financial statements****1. Cash and cash equivalents**√Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Cash on hand	249,915.87	220,471.11
Bank deposits	2,922,477,584.50	1,990,327,169.17
Other cash and cash equivalents	7,820.24	751,331.02
Total	2,922,735,320.61	1,991,298,971.30
In which: amount deposited abroad	100,628,215.18	76,203,839.82

## Other statements

Monetary funds with restricted usage rights are detailed in Note VII. 31. Assets with restricted ownership or usage rights.

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

Unit: RMB

Item	Closing balance	Opening balance	Reasons and basis for determination
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	15,130,895.00	62,331,000.66	/
Among them:			
Equity instrument investment	15,130,895.00	23,651,565.00	/
Bank financing products	-	38,679,435.66	/
Total	15,130,895.00	62,331,000.66	/

## Other notes:

Applicable Not applicable**3. Derivative financial assets**Applicable Not applicable**4. Notes receivable****(1). Categorized presentation of notes receivable**Applicable Not applicable**(2). Notes receivable having been pledged by the Company as of the close of the reporting period**Applicable Not applicable**(3). Notes receivable having been endorsed or discounted by the Company as of the close of the reporting period and having not been due as of the balance sheet date**Applicable Not applicable**(4). Categorized disclosure based on the bad debt provision method**Applicable Not applicable

Accounts receivable for which bad debt provision is made individually:

Applicable Not applicable

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

Applicable Not applicable

Provision for bad debts based on the general model of expected credit losses

Applicable Not applicable

Classification basis and bad debt provision ratio for each stage

No

Explanation of significant changes in the book balance of accounts receivable with changes in loss provisions in this period:

Applicable Not applicable

#### (5). Provisions for bad debts

Applicable Not applicable

In which the recovered or reversed amount is important:

Applicable Not applicable

Other notes:

No

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

Applicable Not applicable

Important notes receivable written off:

Applicable Not applicable

Description of notes written off:

Applicable Not applicable

Other statements

Applicable Not applicable

### 5. Accounts receivable

#### (1). Disclosure based on account age

Applicable Not applicable

Unit: RMB

Account age	Closing book balance	Opening book balance
Within 1 year		
In which: sub-items		
Within 1 year	587,700,197.38	211,121,943.94
Within 1 year	587,700,197.38	211,121,943.94
1 to 2 years	10,408,255.33	8,026,629.17
2 to 3 years	1,195,926.30	100,234.00
Total	599,304,379.01	219,248,807.11

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

Applicable Not applicable

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Provision ratio (%)		Amount	Proportion (%)	Amount	Provision ratio (%)	
Accounts receivable for which bad debt provision is made individually	6,261,907.10	1.04	6,261,907.10	100.00	-	6,261,907.10	2.86	6,261,907.10	2.86	-
Among them:										
Lease receivables	6,261,907.10	1.04	6,261,907.10	100.00	-	6,261,907.10	2.86	6,261,907.10	2.86	-
Accounts receivable for which bad debt provision is made by group	593,042,471.91	98.96	184,676.82	0.03	592,857,795.09	212,986,900.01	97.14	2,236,174.65	1.05	210,750,725.36
Among them:										
Provision for bad debt by combination of credit risk characteristics	593,042,471.91	98.96	184,676.82	0.03	592,857,795.09	212,986,900.01	97.14	2,236,174.65	1.05	210,750,725.36
Total	599,304,379.01	/	6,446,583.92	/	592,857,795.09	219,248,807.11	/	8,498,081.75	/	210,750,725.36

Accounts receivable for which bad debt provision is made individually:

Applicable Not applicable

Unit: RMB

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

Explanation for making bad debt provision for accounts receivable individually:

Applicable Not applicable

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

Applicable Not applicable

Combined provision items: combined provision for bad debts based on credit risk characteristics

Unit: RMB

Name	Closing balance		
	Accounts receivable	Bad debt provision	Provision ratio (%)
Within 1 year	587,700,197.38	63,360.15	0.01
1 - 2 years	4,146,348.23	77,377.38	1.87
2 -3 years	1,195,926.30	43,939.29	3.67
Total	593,042,471.91	184,676.82	/

Description of combined provision for bad debts:

Applicable Not applicable

Provision for bad debts based on the general model of expected credit losses

Applicable Not applicable

Unit: RMB

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in the coming 12 months	Expected credit loss in the entire duration (credit has not been impaired)	Expected credit loss in the entire duration (credit has been impaired)	
Balance as of January 1, 2023	8,498,081.75			8,498,081.75
Balance as of January 1, 2023 in the current period				
Provision made in the current period	365,048.16			365,048.16
Current reversal	2,416,545.99			2,416,545.99
Charging-off in current period	-			-
Current write-off	-			-
Balance as of December 31, 2023	6,446,583.92			6,446,583.92

Classification basis and bad debt provision ratio for each stage

No

Explanation of significant changes in the book balance of accounts receivable with changes in loss provisions in this period:

Applicable Not applicable

### (3). Provisions for bad debts

Applicable Not applicable

Unit: RMB

Category	Opening balance	Amount of change during the current period		Closing balance
		Provision	Recovery or reversal	
Bad debt provision for accounts receivable	8,498,081.75	365,048.16	2,416,545.99	6,446,583.92
Total	8,498,081.75	365,048.16	2,416,545.99	6,446,583.92

In which the recovered or reversed amount is important:

Applicable Not applicable

Other notes:

No

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

Applicable Not applicable

Information of write-off of important accounts receivable

Applicable Not applicable

Description of accounts receivable written off:

Applicable Not applicable

**(5). Five debtors with the highest closing balances of accounts receivable and contract assets**

√Applicable   □Not applicable

Unit: RMB

Debtor	Closing balance of accounts receivable	Closing balance of contract assets	Closing balance of accounts receivable and contract assets	Proportion in the total closing balance of accounts receivable and contract assets (%)	Closing balance of bad debt provision
Dalian Guanglong Zhongbang International Trade Co., Ltd.	11,927,381.63	-	11,927,381.63	1.99	1,285.89
Tianjin Jinqinglian Trading Co., Ltd.	4,472,983.96	-	4,472,983.96	0.75	482.23
Zhejiang Jinhui Construction Engineering Co., Ltd.	3,530,755.55	-	3,530,755.55	0.59	380.65
SWONIA, a.s.	2,690,465.53	-	2,690,465.53	0.45	290.06
Hangzhou Aiyun Network Technology Co., Ltd.	1,232,622.22	-	1,232,622.22	0.21	132.89
Total	23,854,208.89	-	23,854,208.89	3.99	2,571.72

Other statements

No

Other notes:

□Applicable   √Not applicable

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

□Applicable   √Not applicable

Accounts receivable for which bad debt provision is made individually:

□Applicable   √Not applicable

Explanation for making bad debt provision for accounts receivable individually:

□Applicable   √Not applicable

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

□Applicable   √Not applicable

Provision for bad debts based on the general model of expected credit losses

Applicable Not applicable

Classification basis and bad debt provision ratio for each stage

No

Explanation of significant changes in the book balance of contract assets with changes in loss provisions in this period:

Applicable Not applicable

**(4). Provision for bad debts of contract assets in this period**

Applicable Not applicable

In which the recovered or reversed amount is important:

Applicable Not applicable

Other notes:

No

**(5). Actual written-off contract assets in this period**

Applicable Not applicable

Among them, important contract assets write off

Applicable Not applicable

Description of contract assets written off:

Applicable Not applicable

Other notes:

Applicable Not applicable

**7. Accounts receivable financing**

**(1). Accounts receivable financing listed by classification**

Applicable Not applicable

**(2). Accounts receivable financing pledged by the Company at the end of the period**

Applicable Not applicable

**(3). Accounts receivable financing that has been endorsed or discounted by the Company at the end of the period and has not yet matured on the balance sheet date**

Applicable Not applicable

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

Applicable Not applicable

Accounts receivable for which bad debt provision is made individually:

Applicable Not applicable

Explanation for making bad debt provision for accounts receivable individually:

Applicable Not applicable

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

Applicable Not applicable

Provision for bad debts based on the general model of expected credit losses

Applicable Not applicable

Classification basis and bad debt provision ratio for each stage

No

Explanation of significant changes in the financing book balance of accounts receivable with changes in loss provisions in this period:

Applicable Not applicable

#### (5). Provisions for bad debts

Applicable Not applicable

In which the recovered or reversed amount is important:

Applicable Not applicable

Other notes:

No

#### (6). Accounts receivable financing actually written off in this period

Applicable Not applicable

Among them, important accounts receivable financing written off

Applicable Not applicable

Explanation of writing-off:

Applicable Not applicable

#### (7). Changes in accounts receivable financing and changes in fair value in this period:

Applicable Not applicable

#### (8). Other notes:

Applicable Not applicable

### 8. Prepayments

#### (1). Presentation of prepayment by age

Applicable Not applicable

Unit: RMB

Account age	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	969,194,841.33	98.29	600,114,288.07	99.02
1 to 2 years	12,339,052.53	1.25	5,252,760.18	0.87
2 to 3 years	4,404,721.24	0.45	240,000.00	0.04
Over 3 years	124,000.00	0.01	450,000.00	0.07
Total	986,062,615.10	100.00	606,057,048.25	100.00

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

No

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

Debtor	Closing balance	Proportion in total closing balance of prepayments (%)
Five prepayments with the highest closing balances	361,029,851.26	36.61
Total	361,029,851.26	36.61

Other statements

No

Other statements

Applicable Not applicable**9. Other receivables****Presentation of items**√Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Other receivables	115,279,387.63	419,398,092.62
Total	115,279,387.63	419,398,092.62

Other notes:

Applicable Not applicable**Interest receivable****(1). Classification of interest receivable**Applicable Not applicable**(2). Significant overdue interest**Applicable Not applicable**(3). Categorized disclosure based on the bad debt provision method**Applicable Not applicable

Accounts receivable for which bad debt provision is made individually:

Applicable Not applicable

Explanation for making bad debt provision for accounts receivable individually:

Applicable Not applicable

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

Applicable Not applicable**(4). Provision for bad debts based on the general model of expected credit losses**Applicable Not applicable

Classification basis and bad debt provision ratio for each stage

No

Explanation of significant changes in the book balance of interest receivable due to changes in loss provisions in this period:

Applicable Not applicable

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

Applicable Not applicable

In which the recovered or reversed amount is important:

Applicable Not applicable

Other notes:

No

**(6). Interest receivable actually written off in this period**

Applicable Not applicable

Important interest receivable written off among them

Applicable Not applicable

Explanation of writing-off:

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

Applicable Not applicable

Accounts receivable for which bad debt provision is made individually:

Applicable Not applicable

Explanation for making bad debt provision for accounts receivable individually:

Applicable Not applicable

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

Applicable Not applicable

**(4). Provision for bad debts based on the general model of expected credit losses**

Applicable Not applicable

Classification basis and bad debt provision ratio for each stage

No

Explanation of significant changes in the book balance of dividends receivable due to changes in loss provisions in this period:

Applicable Not applicable

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

Applicable Not applicable

In which the recovered or reversed amount is important:

Applicable Not applicable

Other notes:

No

**(6). Dividends receivable actually written off in this period**

Applicable Not applicable

Important dividend receivables written off among them

Applicable Not applicable

Explanation of writing-off:

Applicable Not applicable

Other notes:

Applicable Not applicable

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

Applicable Not applicable

Unit: RMB

Account age	Closing book balance	Opening book balance
Within 1 year		
In which: sub-items		
Within 1 year	51,791,601.59	53,134,184.05
Within 1 year	51,791,601.59	53,134,184.05
1 to 2 years	41,019,455.29	12,295,130.76
2 to 3 years	5,014,989.22	341,676,912.95
Over 3 years	21,509,679.17	16,433,656.30
Bad debt provision for other receivables	-4,056,337.64	-4,141,791.44
Total	115,279,387.63	419,398,092.62

**(2). Classification based on the nature of accounts**

Applicable Not applicable

Unit: RMB

Nature of receivable	Closing book balance	Opening book balance
Withholdings, deposit and margin	107,984,533.23	88,707,661.45
Receivables from export tax rebate	9,508,128.96	10,041,570.82
Reserve	1,843,063.08	1,003,739.70
Financial assistance receivable from joint ventures	-	323,786,912.09
Total	119,335,725.27	423,539,884.06

**(3). Bad debt provision**√Applicable Not applicable

Unit: RMB

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in the coming 12 months	Expected credit loss in the entire duration (credit has not been impaired)	Expected credit loss in the entire duration (credit has been impaired)	
Balance as of January 1, 2023	4,141,791.44			4,141,791.44
Balance as of January 1, 2023 in the current period				
Provision made in the current period	43,219.60			43,219.60
Current reversal	128,673.40			128,673.40
Charging-off in the current period	-			-
Current write-off	-			-
Balance as of December 31, 2023	4,056,337.64			4,056,337.64

Classification basis and bad debt provision ratio for each stage

No

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

Applicable Not applicable

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

Applicable Not applicable**(4). Provisions for bad debts**√Applicable Not applicable

Unit: RMB

Category	Opening balance	Amount of change during the current period		Closing balance
		Provision	Recovery or reversal	
Bad debt provision for other receivables	4,141,791.44	43,219.60	128,673.40	4,056,337.64
Total	4,141,791.44	43,219.60	128,673.40	4,056,337.64

Among them, important recovered or reversed amounts:

Applicable Not applicable

Other statements

No

**(5). Other receivables actually written off during the current period**Applicable Not applicable

Among them, important write-offs of other receivables:

Applicable Not applicable

Notes on the write-off of other receivables:

Applicable Not applicable

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

√Applicable □Not applicable

Unit: RMB

Debtor	Closing balance	Weight in the total closing balance of other receivables (%)	Nature of receivable	Account age	Closing balance of bad debt provision
Yiwu Taxation Bureau, State Administration of Taxation	9,508,128.96	8.25	Export tax rebate	Within 1 year	-
Yiwu Junhuhui Entertainment Co., Ltd	5,118,245.58	4.44	Transactions between companies	Within 1 year	-
FUNDACION PARA EL INTERCAMBIO ENTRE YIWU Y ESPANA	4,070,040.76	3.53	Advance payment	Within 1 year	-
Weihai Wentai Doors and Windows Co., Ltd	3,980,000.00	3.45	Transactions between companies	Within 1 year	-
Yiwu Shengran Trading Co., Ltd.	3,757,200.00	3.26	Advance payment	Within 1 year	-
Total	26,433,615.30	22.93	/	/	

**(7). Reported as other receivables due to centralized fund management**

□Applicable √Not applicable

Other notes:

□Applicable √Not applicable

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

√Applicable □Not applicable

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for inventory depreciation/provision for impairment of contract performance cost	Book value	Book balance	Provision for inventory depreciation/provision for impairment of contract performance cost	Book value
Raw materials	159,406.39	-	159,406.39	555,462.87	-	555,462.87
Finished goods	162,423,278.28	-	162,423,278.28	212,470,958.56	-	212,470,958.56
Work-in-progress materials	4,042,462.18	-	4,042,462.18	2,445,689.69	-	2,445,689.69

Development cost	67,478,414.27	28,303,338.06	39,175,076.21	67,907,950.27	28,303,338.06	39,604,612.21
Development products	1,041,444,157.85	-	1,041,444,157.85	1,075,274,520.54	-	1,075,274,520.54
Total	1,275,547,718.97	28,303,338.06	1,247,244,380.91	1,358,654,581.93	28,303,338.06	1,330,351,243.87

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

Applicable Not applicable

Unit: RMB

Item	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Provision	Other	Reversal or charge-off	Other	
Development cost	28,303,338.06	-	-	-	-	28,303,338.06
Total	28,303,338.06	-	-	-	-	28,303,338.06

The reason for the reversing or charging off provision for inventory depreciation in this period

Applicable Not applicable

Provision for inventory depreciation by combination

Applicable Not applicable

The provision standards for provision for inventory depreciation by combination

Applicable Not applicable

**(3). The capitalized amount of borrowing costs contained in the closing balance of inventory and its calculation criteria and basis**

Applicable Not applicable

As of December 31, 2023, inventory with a book value of RMB 35,797,443.87 (December 31, 2022: RMB 35,797,443.87) was capitalized from borrowing costs. In 2023, the capitalized amount of inventory borrowing costs for the Group was RMB 0.00 (2022: RMB 0.00), and the cumulative capitalized amount of borrowing costs was RMB 35,797,443.87 (2022: RMB 35,797,443.87)

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

Applicable Not applicable

Other statements

Applicable Not applicable

Inventory-Development Cost

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Haicheng Phase I Business Street	67,907,950.27	-	429,536.00	67,478,414.27
Total	67,907,950.27	-	429,536.00	67,478,414.27

Inventory-Developed Products

Unit: RMB

Item	Opening balance	Increase	Decrease in	Other	Closing balance
------	-----------------	----------	-------------	-------	-----------------

		in the current period	the current period	transfer- out	
Haicheng Phase I Business Street	915,616,130.79	90,000.00	-	-	915,706,130.79
Haicheng Phase II Business Street	159,658,389.75	-	33,920,362.69	-	125,738,027.06
Total	1,075,274,520.54	90,000.00	33,920,362.69	-	1,041,444,157.85

**11. Held-for-sale assets**

Applicable Not applicable

**12. Non-current assets due within one year**

Applicable Not applicable

**Debt investments due within one year**

Applicable Not applicable

**Other debt investments due within one year**

Applicable Not applicable

Other statement for non-current assets due within one year

No

**13. Other current assets**

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
To-be-deducted input tax	326,795,702.79	146,697,598.28
Payment business reserve	313,869,496.74	367,484,914.87
Advance income tax	17,252,758.70	113,127,305.76
To-be-certified input tax	5,662,735.21	5,348,152.36
Entrusted loans to the market traders	1,737,479.42	1,737,479.42
Less: bad debt provision for entrusted loans	-185,500.00	-185,500.00
Total	665,132,672.86	634,209,950.69

Other statements

No

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

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
------	-----------------	-----------------

	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Entrusted Loans	48,073,333.34	-	48,073,333.34	48,079,561.64	-	48,079,561.64
Total	48,073,333.34	-	48,073,333.34	48,079,561.64	-	48,079,561.64

Changes in provision for impairment of debt investments in this period

Applicable Not applicable

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

Applicable Not applicable

Unit: RMB

Item	Closing balance					Opening balance				
	Book value	Coupon rate	Actual interest rate	Maturity date	Overdue principal	Book value	Coupon rate	Actual interest rate	Maturity date	Overdue principal
Chengdu Trade City entrusted loan	48,000,000.00	5.5%	5.5%	December 19, 2024	-	48,000,000.00	5.5%	5.5%	December 19, 2024	-
Total	48,000,000.00	/	/	/	-	48,000,000.00	/	/	/	-

**(3). Provision for impairment**

Applicable Not applicable

Segmentation basis and provision ratio for impairment in each stage:

No

Explanation of significant changes in the book balance of debt investments with changes in loss provisions in this period:

Applicable Not applicable

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

Applicable Not applicable

**(4). Debt investments actually written off in this period**

Applicable Not applicable

Important debt investments written off among them

Applicable Not applicable

Description of debt investments written off:

Applicable Not applicable

Other statements

Applicable Not applicable

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

Applicable Not applicable

Changes in provision for impairment of other debt investments in this period

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

Segmentation basis and provision ratio for impairment in each stage:

No

Explanation of significant changes in the book balance of other debt investments with changes in loss provisions in this period:

Applicable Not applicable

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

Applicable Not applicable

**(4). Other debt investments actually written off in this period**

Applicable Not applicable

Important other debt investments written off among them

Applicable Not applicable

Description of other debt investments written off:

Applicable Not applicable

Other notes:

Applicable Not applicable

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

Applicable Not applicable

Unit: RMB

Item	Closing balance			Opening balance			Range of discount rate
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value	
Guarantee deposit	7,270,907.13	-	7,270,907.13	8,422,485.53	-	8,422,485.53	2.78%-7.55%
Financial assistance receivable from joint ventures	270,755,772.12	-	270,755,772.12	269,877,115.20	-	269,877,115.20	0.00%-6.74%
Total	278,026,679.25	-	278,026,679.25	278,299,600.73	-	278,299,600.73	/

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

Applicable Not applicable

Accounts receivable for which bad debt provision is made individually:

Applicable Not applicable

Explanation for making bad debt provision for accounts receivable individually:

Applicable Not applicable

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

Applicable Not applicable

**(3). Provision for bad debts based on the general model of expected credit losses**

Applicable Not applicable

Classification basis and bad debt provision ratio for each stage

No

Explanation of significant changes in the book balance of long-term accounts receivable with changes in loss provisions in this period:

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

In which the recovered or reversed amount is important:

Applicable Not applicable

Other notes:

No

**(5). Actual long-term accounts receivable written off in this period**

Applicable Not applicable

Important long-term accounts receivable written off among them

Applicable Not applicable

Description of long-term accounts receivable written off:

Applicable Not applicable

Other statements

Applicable Not applicable

**17. Long-term equity investment****(1). Long term equity investment situation**

√Applicable □Not applicable

Unit: RMB

Investee	Opening Balance	Change in the current period				Closing Balance	Closing balance of impairment provision
		Decrease in investment	Investment gains or losses recognized with the equity method	Adjustment of other comprehensive income	Other		
<b>1. Joint ventures</b>							
Yiwu Shanglv	396,972,448.93	-	38,957,479.65	-	-	435,929,928.58	-
Yiwu Rongshang Property Co., Ltd.	65,650,902.46	-	-205.43	-	-	65,650,697.03	-
Yiwu Chuangcheng Property	28,449,292.72	-	-763,659.31	-	-	27,685,633.41	-
Yiwu Guoshen Shangbo Property Co., Ltd.	75,740,065.56	-	851,479,615.72	-	-	927,219,681.28	-
Other	35,311,309.47	-	-1,354,416.29	-	-	33,956,893.18	3,327,216.16
Sub-total	602,124,019.14	-	888,318,814.34	-	-	1,490,442,833.48	3,327,216.16
<b>2. Associates</b>							
Huishang Micro-finance	78,209,979.82	-	377,956.29	-	-	78,587,936.11	-
Huishang Zijing	80,251,875.33	-	-13,450,927.90	-	-	66,800,947.43	-
Chouzhou Financial Lease	489,205,549.91	-	85,753,216.38	-	-	574,958,766.29	-
Yiwu China Commodities City Investment Management Co., Ltd.	9,508,049.22	-	-	-	-	9,508,049.22	9,508,049.22
Yiwu China Commodity City Fuxing Investment Center (Limited Liability Partnership)	102,918,559.00	-	-	-	-	102,918,559.00	-
Pujiang Lvqu Property Co., Ltd.	378,839,597.00	-	-29,197,911.90	-	-	349,641,685.10	-
Yiwu China Commodities City Property Development Co., Ltd.	2,985,480,694.55	-	136,963,695.55	-	-	3,122,444,390.10	-
Yiwu Hongyi Equity Investment Fund Partnership	945,642,085.02	50,000,000.00	9,191,662.25	-	-	904,833,747.27	-
Zhejiang Zhijie Yuangang International Supply Chain Technology Co., Ltd.	145,563,439.33	-	-13,581,395.16	-	-	131,982,044.17	-
Yiwu Huishang Redbud Phase II Investment Partnership (limited partnership)	135,174,717.38	-	3,192,604.81	-	-	138,367,322.19	-
Other	93,389,619.60	-	-31,709,574.74	885,012.68	2,563,433.73	65,128,491.27	-
Sub-total	5,444,184,166.16	50,000,000.00	147,539,325.58	885,012.68	2,563,433.73	5,545,171,938.15	9,508,049.22
<b>Total</b>	<b>6,046,308,185.30</b>	<b>50,000,000.00</b>	<b>1,035,858,139.92</b>	<b>885,012.68</b>	<b>2,563,433.73</b>	<b>7,035,614,771.63</b>	<b>12,835,265.38</b>

**(2). Impairment testing of long-term equity investments**

Applicable Not applicable

## Other statements

Provision for impairment of long-term equity investment :

Unit: RMB

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

Note 1: In 2017, CCCF, a wholly-owned subsidiary of the Group, and Shanghai Fuxing Industrial Group Co., Ltd. (hereinafter referred to as "Fuxing") jointly established Industrial Fund Yiwu China Commodities City Fuxing Investment Center (LLP) (hereinafter referred to as the "FOF"), 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.

As a limited partner of Shangfu Chuangzhi Fund, CCCF has subscribed and paid in a capital contribution of RMB 617.51 million. Since the capital contribution was guaranteed by Fuxing's fixed income, it was recognized as other non-current financial assets. The above paid-in capital contribution made by CCCF to the FOF has been contributed to Shangfu Chuangzhi Fund together with the capital contribution of Fuxing to the FoF through the FOF as a limited partner. With the capital contribution from the FOF as a limited partner and CCCF's capital contribution to Shangfu Chuangzhi Fund

as a limited partner, Shangfu Chuangzhi Fund made capital contribution of RMB 820.54 million to subscribe for the increase in the registered capital of Hubei Provincial Asset Management Co., Ltd. to acquire 22.667% equity therein.

In 2018, CCCF learned during its after-investment follow-up management that Fuxing and its actual controller ZHU Yidong were suspected of having committed a criminal offense and the 22.667% equity held by Shangfu Chuangzhi Fund in Hubei Provincial Asset Management Co., Ltd. was frozen by the Public Security Bureau of Shanghai due to Fuxing's contribution to the sources of the capital contribution. The Group believes that, on December 31, 2023, the Group's investment in the FOF 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, that had no impact on the Group's equity. Therefore, there was no impairment. However, for the equity investment in CCCIM, a full impairment provision has been made since 2018.

**18. Other equity instruments investment****(1). Overview of other equity instruments investment**√Applicable Not applicable

Unit: RMB

Item	Opening balance	Change in the current period	Closing balance	Dividend income recognized in this period	Accumulated gains recognized in other comprehensive income	Reason for designing it as measured at fair value through other comprehensive income
		Gains recognized in other comprehensive income for this period				
Shenwan Hongyuan Group Co., Ltd.	499,200,803.85	57,696,575.32	556,897,379.17	3,762,820.14	3,271,948.17	Non-trading
Total	499,200,803.85	57,696,575.32	556,897,379.17	3,762,820.14	3,271,948.17	/

**(2). Description of termination of recognition in this period**Applicable Not applicable

Other notes:

Applicable Not applicable**19. Other non-current financial assets**√Applicable Not applicable**5. Unit: RMB**

Item	Closing balance	Opening balance
PE investment	1,222,483,421.12	1,242,537,387.23
Unlisted equity investment	161,914,541.90	210,030,495.82
NEEQ equity investment	37,171,941.17	47,739,679.08
Total	1,421,569,904.19	1,500,307,562.13

Other notes:

Applicable Not applicable

**20. Property investment**

Measurement models

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

Unit: RMB

Item	Buildings and structures	Land use right	Total
<b>I. Original book value</b>			
1. Opening balance	3,066,726,500.66	441,780,232.93	3,508,506,733.59
2. Increase in the current period	1,446,214,861.97	-	1,446,214,861.97
(2) Inventory\fixed assets\construction in progress changed into property investment	1,446,214,861.97	-	1,446,214,861.97
3. Decrease in the current period	-	-	-
4. Closing balance	4,512,941,362.63	441,780,232.93	4,954,721,595.56
<b>II. Accumulated depreciation and accumulated amortization</b>			
1. Opening balance	564,165,088.47	92,698,464.70	656,863,553.17
2. Increase in the current period			
(1) Provision or amortization	142,216,973.12	11,431,703.70	153,648,676.82
3. Decrease in the current period	-	-	-
4. Closing balance	706,382,061.59	104,130,168.40	810,512,229.99
<b>III. Depreciation provision</b>			
1. Opening balance	-	-	-
4. Closing balance	-	-	-
<b>IV. Book value</b>			
1. Closing book value	3,806,559,301.04	337,650,064.53	4,144,209,365.57
2. Opening book value	2,502,561,412.19	349,081,768.23	2,851,643,180.42

**(2). Information of investment real estate without property right certificates**

√Applicable □Not applicable

Unit: RMB

Item	Book value	Reasons for having not obtained the ownership certificate
Trading Station of Yiwu CCC Warehousing Park	88,021,224.47	Completion settlement not completed

**(3). Impairment testing of investment real estate using cost measurement model**

√Applicable □Not applicable

**The recoverable amount is determined based on the net amount after deducting disposal expenses from fair value**

□Applicable √Not applicable

**The recoverable amount is determined based on the present value of expected future cash flows**

□Applicable √Not applicable

**Reasons for significant discrepancies between the aforementioned information and the information used in previous year's impairment testing or external information**

□Applicable √Not applicable

### Reasons for significant discrepancies between the information used in the Company's previous year's impairment testing and the actual situation of that year

Applicable Not applicable

#### Other statements

Applicable Not applicable

Due to the long-term losses and signs of impairment of the Group's subsidiary Haicheng Yiwu China Commodities City Investment Development Co., Ltd. and the Group's branch International Production Materials Market Branch of Zhejiang China Commodities City Group Co., Ltd., impairment tests were conducted on the Haicheng main market and Yixi Production Materials Market belonging to the market segment, as well as Haicheng Market Hotel belonging to the hotel segment. Please refer to Note VII. 21.

## 21. Fixed assets

### Presentation of items

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Fixed assets	4,940,523,363.51	5,220,882,784.47
Total	4,940,523,363.51	5,220,882,784.47

Other notes:

Applicable Not applicable

### Fixed assets

#### (1). Overview of fixed assets

Applicable Not applicable

Unit: RMB

Item	Buildings and structures	Machinery equipment	Transportation equipment	Total
<b>I. Original book value:</b>				
1. Opening balance	7,924,300,361.81	3,987,303,785.61	9,920,098.37	11,921,524,245.79
2. Increase in the current period	103,489,776.24	59,443,492.06	230,217.00	163,163,485.30
(1) Purchase	587,658.47	17,094,039.39	230,217.00	17,911,914.86
(2) Changeover from construction in progress	102,902,117.77	42,349,452.67	-	145,251,570.44
3. Decrease in the current period	113,908,722.94	12,215,830.43	-	126,124,553.37
(1) Disposal or retirement	108,701,469.92	11,913,960.30	-	120,615,430.22
(2) Completion settlement differences	5,207,253.02	8,449.32	-	5,215,702.34
(3) Other transfer-out	-	293,420.81	-	293,420.81
4. Closing balance	7,913,881,415.11	4,034,531,447.24	10,150,315.37	11,958,563,177.72
<b>II. Accumulated depreciation</b>				
1. Opening balance	3,021,987,133.97	3,200,000,153.08	7,490,706.42	6,229,477,993.47
2. Increase in the current period	298,354,508.54	80,400,046.49	758,901.82	379,513,456.85
(1) Provision	298,354,508.54	80,400,046.49	758,901.82	379,513,456.85
3. Decrease in the current period	50,845,929.81	11,269,174.15	-	62,115,103.96

(1) Disposal or retirement	50,845,929.81	11,129,116.48	-	61,975,046.29
(2) Other changeover	-	140,057.67	-	140,057.67
4. Closing balance	3,269,495,712.70	3,269,131,025.42	8,249,608.24	6,546,876,346.36
III. Depreciation provision				
1. Opening balance	471,163,467.85	-	-	471,163,467.85
4. Closing balance	471,163,467.85	-	-	471,163,467.85
IV. Book value				
1. Closing book value	4,173,222,234.56	765,400,421.82	1,900,707.13	4,940,523,363.51
2. Opening book value	4,431,149,759.99	787,303,632.53	2,429,391.95	5,220,882,784.47

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

Applicable Not applicable

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

Applicable Not applicable

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

Applicable Not applicable

Unit: RMB

Item	Book value	Reasons for having not obtained the ownership certificate
Liaoning Xiliu Yiwu China Commodity City	261,378,675.92	Completion settlement not completed
Huangyuan Clothing Market	230,908,429.73	Completion settlement not completed
CCC Hotel	48,587,015.17	Completion settlement not completed
Total	540,874,120.82	

**(5). Impairment testing of fixed assets**

Applicable Not applicable

**The recoverable amount is determined based on the net amount after deducting disposal expenses from fair value**

Applicable Not applicable

**The recoverable amount is determined based on the present value of expected future cash flows**

Applicable Not applicable

Unit: RMB

Item	Book value	Recoverable amount	Impairment amount	Years of the prediction period	Key parameters for the prediction period	Key parameters for the stable period	Basis for determining key parameters for the stable period
Haicheng Main Market	646,233,802.62	844,381,624.74	-	5	Revenue growth rate, profit margin, discount rate	Perpetual growth rate, discount rate	Historical annual income analysis, gross profit analysis, CPI index

Yixi Production Materials Market	913,962,477.74	960,359,206.56	-	5	Revenue growth rate, profit margin, discount rate	Perpetual growth rate, discount rate	Historical annual income analysis, gross profit analysis, CPI index
Haicheng Market Hotel	36,475,480.54	38,083,284.04	-	5	Revenue growth rate, profit margin, discount rate	Perpetual growth rate, discount rate	Historical annual income analysis, gross profit analysis, CPI index
Total	1,596,671,760.90	1,842,824,115.34	-	/	/	/	/

**Reasons for significant discrepancies between the aforementioned information and the information used in previous year's impairment testing or external information**

Applicable Not applicable

**Reasons for significant discrepancies between the information used in the Company's previous year's impairment testing and the actual situation of that year**

Applicable Not applicable

Other notes:

Applicable Not applicable

**Disposal of fixed assets**

Applicable Not applicable

**22. Construction in progress****Presentation of items**√Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Construction in progress	3,955,959,200.32	2,860,064,818.36
Total	3,955,959,200.32	2,860,064,818.36

Other notes:

Applicable Not applicable

**Construction in progress****(1). Overview of construction in progress**

√Applicable □Not applicable

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
The Yiwu Comprehensive Bonded Zone Project	1,221,353,672.38	-	1,221,353,672.38	1,853,596,168.27	-	1,853,596,168.27
Global Digital Free Trade Center	753,285,037.73	-	753,285,037.73	71,878,178.97	-	71,878,178.97
S3 Logistics Park	646,823,075.05	-	646,823,075.05	304,000,538.70	-	304,000,538.70
Yiwu International Digital Logistics Market	630,797,491.91	-	630,797,491.91	116,022,418.71	-	116,022,418.71
S2 Logistics Park	580,571,402.07	-	580,571,402.07	235,339,023.06	-	235,339,023.06
The Chian West Sea tourism project	70,693,880.52	-	70,693,880.52	70,003,472.35	-	70,003,472.35
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	24,438,877.36	-	24,438,877.36	22,801,228.71	-	22,801,228.71
Yiwu Digital Trade Industrial Park	-	-	-	158,150,730.63	-	158,150,730.63
Other projects	340,316.93	-	340,316.93	617,612.59	-	617,612.59
Total	3,960,594,260.28	-4,635,059.96	3,955,959,200.32	2,864,699,878.32	-4,635,059.96	2,860,064,818.36

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

√Applicable □Not applicable

Unit: RMB 10,000

Item	Budget	Opening balance	Increase in the current period	Amount changed into fixed assets	Closing balance	Ratio of accumulated investment to budget (%)	Progress of project	Accumulated capitalized interest	In which: capitalized interest in the current period	Interest capitalization ratio for the current period (%)	Source of f
Liaoning Xiliu Yiwu China Commodities City Commerce Phase I Project—Hotel Project	180,000.00	3,229.05	-	-	3,229.05	96.32	Shutdown	154.61	-	/	Self-owned/fina
Zhimei Dachen Project	6,000.00	2,280.13	163.76	-	2,443.89	97.28	Under construction	-	-	/	Self-owned
Chi'an Xihai Project	8,000.00	7,000.35	69.04	-	7,069.39	88.37	Under construction	-	-	/	Self-owned
The Yiwu Comprehensive Bonded Zone Project	624,250.00	185,359.62	71,692.37	134,916.62	122,135.37	46.87	Under construction	4,262.31	2,257.11	3.61	Self-owned
Yiwu Digital Trade Industrial Park	39,579.00	15,815.07	18,456.04	34,271.11	-	100.00	completed	-	-	/	Self-owned
Global Digital Free Trade Center	832,082.00	7,187.82	68,140.68	-	75,328.50	1.79	Under construction	842.44	736.69	3.20	Self-owned
S2 Logistics Park	108,000.00	23,533.90	34,523.24	-	58,057.14	53.76	Under construction	893.83	893.83	3.00	Self-owned
S3 Logistics Park	132,000.00	30,400.05	34,282.26	-	64,682.31	49.00	Under construction	1,282.92	967.29	1.90	Self-owned/fina

Yiwu International Digital Logistics Market	113,600.00	11,602.24	51,477.51	-	63,079.75	55.53	Under construction	755.80	656.22	1.60	Self-owned/financed
Other	/	61.76	25.30	53.03	34.03	/	/	-	-	-	/
Total	2,043,511.00	286,469.99	278,830.20	169,240.76	396,059.43	/	/	8,191.91	5,511.14	/	/

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

Applicable Not applicable

**(4). Impairment testing of construction in progress**

Applicable Not applicable

**The recoverable amount is determined based on the net amount after deducting disposal expenses from fair value**

Applicable Not applicable

**The recoverable amount is determined based on the present value of expected future cash flows**

Applicable Not applicable

**Reasons for significant discrepancies between the aforementioned information and the information used in previous year's impairment testing or external information**

Applicable Not applicable

**Reasons for significant discrepancies between the information used in the Company's previous year's impairment testing and the actual situation of that year**

Applicable Not applicable

## Other statements

Applicable Not applicable

Due to the long-term losses and signs of impairment of the Group's subsidiary Haicheng Yiwu China Commodities City Investment Development Co., Ltd. and the Group's branch International Production Materials Market Branch of Zhejiang China Commodities City Group Co., Ltd., impairment tests were conducted on the Haicheng main market and Yixi Production Materials Market belonging to the market segment, as well as Haicheng Market Hotel belonging to the hotel segment. Please refer to Note VII. 21.

**Construction materials****(1). Engineering materials**

Applicable Not applicable

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

Applicable Not applicable

**(2). Impairment testing of productive biological assets using cost measurement model**

Applicable Not applicable

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

Applicable Not applicable

Other statements

Applicable Not applicable

**24. Oil and gas assets****(1) Situation of oil and gas assets**

Applicable Not applicable

**(2) Impairment testing of oil and gas assets**

Applicable Not applicable

Other notes:

No

**25. Right-of-use assets****(1) Situation of right-of-use assets**

Applicable Not applicable

Unit: RMB

Item	Buildings and structures	Land	Total
<b>I. Original book value</b>			
1. Opening balance	156,223,496.12	125,879,033.69	282,102,529.81
2. Increase in the current period	315,934.33	-	315,934.33
(1) Lease in	315,934.33	-	315,934.33
3. Decrease in the current period	-	-	-
4. Closing balance	156,539,430.45	125,879,033.69	282,418,464.14
<b>II. Accumulated depreciation</b>			
1. Opening balance	53,771,643.53	10,627,975.47	64,399,619.00
2. Increase in the current period	30,562,888.65	6,582,122.65	37,145,011.30
(1) Provision	30,562,888.65	6,582,122.65	37,145,011.30
3. Decrease in the current period	-	-	-
4. Closing balance	84,334,532.18	17,210,098.12	101,544,630.30
<b>III. Depreciation provision</b>			
1. Opening balance	-	-	-
4. Closing balance	-	-	-
<b>IV. Book value</b>			
1. Closing book value	72,204,898.27	108,668,935.57	180,873,833.84
2. Opening book value	102,451,852.59	115,251,058.22	217,702,910.81

**(2) Impairment testing of right-of-use assets**

□Applicable √Not applicable

Other notes:

No

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

√Applicable □Not applicable

Unit: RMB

Item	Land use right	Software and software copyright	Total
<b>I. Original book value</b>			
1. Opening balance	8,087,572,660.11	194,975,359.61	8,282,548,019.72
2. Increase in the current period	-	30,838,582.77	30,838,582.77
(1) Purchase	-	17,916,745.31	17,916,745.31
(2) Internal R&D	-	12,921,837.46	12,921,837.46
3. Decrease in the current period	21,856,515.55	12,621,637.29	34,478,152.84
(1) Disposal	21,856,515.55	790,040.00	22,646,555.55
(2) Other changeover	-	11,831,597.29	11,831,597.29
4. Closing balance	8,065,716,144.56	213,192,305.09	8,278,908,449.65
<b>II. Accumulated amortization</b>			
1. Opening balance	1,802,910,260.76	17,788,068.60	1,820,698,329.36
2. Increase in the current period	200,152,451.32	29,595,186.37	229,747,637.69
(1) Provision	200,152,451.32	29,595,186.37	229,747,637.69
3. Decrease in the current period	7,210,729.33	2,711,290.03	9,922,019.36
(1) Disposal	7,210,729.33	728,860.36	7,939,589.69
(2) Other changeover	-	1,982,429.67	1,982,429.67
4. Closing balance	1,995,851,982.75	44,671,964.94	2,040,523,947.69
<b>III. Depreciation provision</b>			
1. Opening balance	-	-	-
4. Closing balance	-	-	-
<b>IV. Book value</b>			
1. Closing book value	6,069,864,161.81	168,520,340.15	6,238,384,501.96
2. Opening book value	6,284,662,399.35	177,187,291.01	6,461,849,690.36

As of the end of this period, the proportion of intangible assets formed through internal research and development of the Company in the balance of intangible assets was 1.12%

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

□Applicable √Not applicable

**(3) Impairment testing of intangible assets**√Applicable Not applicable**The recoverable amount is determined based on the net amount after deducting disposal expenses from fair value**Applicable √Not applicable**The recoverable amount is determined based on the present value of expected future cash flows**Applicable √Not applicable**Reasons for significant discrepancies between the aforementioned information and the information used in previous year's impairment testing or external information**Applicable √Not applicable**Reasons for significant discrepancies between the information used in the Company's previous year's impairment testing and the actual situation of that year**Applicable √Not applicable

Other notes:

√Applicable Not applicable

Due to the long-term losses and signs of impairment of the Group's subsidiary Haicheng Yiwu China Commodities City Investment Development Co., Ltd. and the Group's branch International Production Materials Market Branch of Zhejiang China Commodities City Group Co., Ltd., impairment tests were conducted on the Haicheng main market and Yixi Production Materials Market belonging to the market segment, as well as Haicheng Market Hotel belonging to the hotel segment. Please refer to Note VII. 21.

**27. Goodwill****(1). Original book value of goodwill**√Applicable Not applicable

Unit: RMB

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

**(2). Provision for goodwill impairment**Applicable √Not applicable**(3). Information on the assets group or combination of assets groups to which the goodwill belongs**√Applicable Not applicable

Name	The composition of the asset group or combination to which it belongs and basis	Operating segment to which it belongs and basis	Whether it was consistent with the previous year
Kuaijietong asset	It is composed of Kuaijietong Payment Services Co., Ltd., a subsidiary of Zhejiang Xunchi Digital	For internal management	Yes

group	Technology Co., Ltd. Since the synergistic effect of the acquisition of Xunchi Group is reflected in the Kuaijietong's subsidiaries, the main cash flow generated by the Kuaijietong's subsidiaries is independent of other subsidiaries of the Group, and the Group manages the production activities of the Kuaijietong's subsidiaries independently, so the goodwill is allocated to the Kuaijietong asset group.	purposes, this asset group combination belongs to other segment.	
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Changes in asset groups or asset group combinations

Applicable Not applicable

Other statements

Applicable Not applicable

In July 2022, the Group acquired 100% equity of Zhejiang Xunchi Digital Technology Co., Ltd. and Kuaijietong Payment Services Co., Ltd., a wholly-owned subsidiary of Zhejiang Xunchi Digital Technology Co., Ltd. (referred to as "Xunchi Group"), resulting in a goodwill of RMB 284,916,367.87.

#### (4). The specific method for determining the recoverable amount

The recoverable amount is determined based on the net amount after deducting disposal expenses from fair value

Applicable Not applicable

The recoverable amount is determined based on the present value of expected future cash flows

Applicable Not applicable

Unit: RMB

Item	Book value	Recoverable amount	Impairment amount	Years of the prediction period	Key parameters for the prediction period (growth rate, profit margin, etc.)	Basis for determining parameters for the prediction period	Key parameters for the stable period (growth rate, profit margin, discount rate, etc.)	Basis for determining key parameters for the stable period
Kuaijietong asset group	356,883,873.68	379,000,000.00	-	5	Revenue growth rate, profit margin, discount rate	Historical annual income analysis, gross profit analysis, CPI index	Perpetual growth rate, discount rate	Historical annual income analysis, gross profit analysis, CPI index
Total	356,883,873.68	379,000,000.00	-	/	/	/	/	/

Reasons for significant discrepancies between the aforementioned information and the information used in previous year's impairment testing or external information

Applicable Not applicable

Reasons for significant discrepancies between the information used in the Company's previous year's impairment testing and the actual situation of that year

Applicable Not applicable

#### (5). Performance commitments and corresponding impairment of goodwill

When goodwill is formed, there is a performance commitment and the reporting period or the previous period in the reporting period is within the performance commitment period

Applicable Not applicable

Other statements

Applicable Not applicable

#### 28. Long-term prepaid expenses

Applicable Not applicable

Unit: RMB

Item	Opening balance	Increase in the current period	Amortized amount in the current period	Closing balance
Decoration of buildings and structures	296,452,554.64	87,177,423.42	74,753,356.48	308,876,621.58
Advertising facilities	10,473,416.25	24,012,035.34	13,330,022.53	21,155,429.06
Total	306,925,970.89	111,189,458.76	88,083,379.01	330,032,050.64

Other notes:

No

#### 29. Deferred income tax assets/deferred income tax liabilities

##### (1). Deferred income tax assets having not been offset

Applicable Not applicable

Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Provision for impairment of assets	18,917,033.18	4,729,258.30	18,828,747.02	4,707,186.78
Unrealized profits of internal transactions	1,051,115.67	262,778.92	1,094,793.10	273,698.28
Deductible losses	26,986,391.85	6,746,597.98	1,039,362.23	259,840.56
Recognized but unpaid liabilities	178,820,383.73	44,705,095.94	301,006,872.77	75,251,718.21
Overspent advertising cost	15,934,608.52	3,983,652.13	12,547,314.43	3,136,828.61
Lease liabilities	124,053,478.91	31,013,369.72	127,816,376.30	31,954,094.07
Asset-related government grants	79,879,800.00	19,969,950.00	79,879,800.00	19,969,950.00
Changes in fair value of other non-current financial assets	118,020,122.13	29,505,030.53	122,472,837.68	30,618,209.42
Changes in fair value of trading financial assets	2,276,137.50	569,034.38	3,854,431.84	963,607.96
Change in fair value of other equity instruments investment	-	-	54,424,627.13	13,606,156.78

Total	565,939,071.49	141,484,767.90	722,965,162.50	180,741,290.67
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**(2). Deferred income tax liabilities having not been offset**√Applicable Not applicable

Unit: RMB

Item	Closing balance		Opening balance	
	Taxable temporary difference	Deferred income tax Debt	Taxable temporary difference	Deferred income tax Debt
Asset evaluation appreciation for merger of the enterprises not under common control	22,521,198.48	5,630,299.60	27,573,081.34	6,893,270.33
Change in fair value of other equity instruments investment	3,271,948.17	817,987.04	-	-
Changes in fair value of other non-current financial assets	310,386,559.36	77,596,639.84	352,597,807.91	88,149,451.98
Right-of-use assets	104,511,421.24	26,127,855.31	121,577,957.42	30,394,489.36
Total	440,691,127.25	110,172,781.79	501,748,846.67	125,437,211.67

**(3). Deferred income tax assets or liabilities presented in net amount after offsetting**√Applicable Not applicable

Unit: RMB

Item	Deferred income tax assets and liabilities offset at the end of the period	Closing balance of deferred income tax assets or liabilities after offsetting	Offset amount between deferred income tax assets and liabilities at the beginning of the period	Opening balance of deferred income tax assets or liabilities after offsetting
Deferred income tax assets	26,127,855.31	115,356,912.59	30,394,489.36	150,346,801.31
Deferred income tax liabilities	26,127,855.31	84,044,926.48	30,394,489.36	95,042,722.31

**(4). Breakdown of unrecognized deferred income tax assets**√Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Deductible temporary difference	462,360,964.70	465,986,055.60
Deductible losses	933,593,373.14	942,386,751.93
Total	1,395,954,337.84	1,408,372,807.53

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

Unit: RMB

Year	Closing amount	Opening amount	Remarks
2023	-	145,779,196.21	
2024	160,812,048.37	161,634,775.04	
2025	205,661,578.38	222,983,125.16	

2026	227,475,259.53	245,567,218.34	
2027	165,825,700.71	166,422,437.18	
2028	173,818,786.15	-	
Total	933,593,373.14	942,386,751.93	/

Other notes:

√Applicable □Not applicable

The Group believes that the above temporary differences in fixed asset depreciation, asset impairment provisions, and deductible losses of some subsidiaries can be offset in the foreseeable future, and it is expected that the Group will have sufficient pre-tax profits to offset during the reversal period. Therefore, the Group deemed it necessary to recognize the above deferred income tax assets.

### 30. Other non-current assets

√Applicable □Not applicable

Unit: RMB

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

Other notes:

No

### 31. Assets with restricted ownership or usage rights

√Applicable □Not applicable

Unit: RMB

Item	Closing amount				Opening amount			
	Book balance	Book value	Restriction type	Restriction situation	Book balance	Book value	Restriction type	Restriction situation
Cash and cash equivalents	12,556,381.42	12,556,381.42	Pledged	[Note 2]	10,098,029.66	10,098,029.66	Pledged	[Note 2]
Inventory	8,925,585.77	8,925,585.77	Seized	[Note 3]	-	-	/	/
Long-term equity investment	102,918,559.00	102,918,559.00	Frozen	[Note 4]	102,918,559.00	102,918,559.00	Frozen	[Note 4]
Other non-current financial assets	631,520,588.85	631,520,588.85	Frozen	[Note 4]	621,447,424.37	621,447,424.37	Frozen	[Note 4]
Other current assets	313,869,496.74	313,869,496.74	Pledged	[Note 5]	367,484,914.87	367,484,914.87	Pledged	[Note 5]
Total	1,069,790,611.78	1,069,790,611.78	/	/	1,101,948,927.90	1,101,948,927.90	/	/

## Other notes:

Note 2: As of December 31, 2023, the ownership or use rights of bank deposits with a book value of RMB 3,888,542.08 (December 31, 2022: RMB 2,877,968.69) were restricted as a risk margin for express payment business. As of December 31, 2023, a bank deposit with a book value of RMB 7,220,000.00 (December 31, 2022: RMB 7,220,000.00) was used as a performance bond for the civil defense project of the hotel plot of the Yiwu Global Digital Free Trade Center project. As of December 31, 2023, the bank deposit with a book value of RMB 1,447,839.34 (December 31, 2022: none) was used as special funds for S3 Logistics Park and Yidongbei Engineering Project, and the ownership or use rights were restricted. As of December 31, 2023, a bank deposit with a book value of RMB 0.00 (December 31, 2022: RMB 60.97) was used as a security deposit to obtain a mortgage loan for commercial housing, and the ownership or use rights were restricted.

Note 3: As of December 31, 2023, inventory with a book value of RMB 8,925,585.77 (December 31, 2022: none) was seized by the court due to litigation.

Note 4: As of December 31, 2023, long-term equity investments with a book value of RMB 102,918,559.00 (December 31, 2022: RMB 102,918,559.00) and other non-current financial assets with a book value of RMB 631,520,588.85 (December 31, 2022: RMB 621,447,424.37) were frozen by the Second Intermediate People's Court of Shanghai.

Note 5: As of December 31, 2023, the payment business reserve fund with a book value of RMB 313,869,496.74 (December 31, 2022: RMB 367,484,914.87) was established by the Company in accordance with the "Administrative Measures for Payment Services of Non-financial Institutions" and "Measures for the Custody of Customer Reserve Funds of Payment Institutions" Bank special deposit account. The scope of funds stored and received by the Company through the customer reserve account includes: funds received from bank card acquiring business, third-party payment convenience service business, credit card repayment business, credit payment settlement business, and other part of the Company's business.

**32. Short-term borrowings****(1). Classification of short-term borrowings**

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Credit loans	1,619,804,888.91	1,059,287,361.11
Total	1,619,804,888.91	1,059,287,361.11

Note to the classification of short-term borrowings:

No

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

Applicable Not applicable

The important overdue and unpaid short-term loans are as follows:

Applicable Not applicable

Other statements

Applicable Not applicable

As of December 31, 2023, the annual interest rate of the above-mentioned loan was 2.95% -3.75% (December 31, 2022: 2.35% -4.151%).

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

Applicable Not applicable

Other notes:

Applicable Not applicable

**34. Derivative financial liabilities**

Applicable Not applicable

**35. Notes payable****(1). Presentation of notes payable**

Applicable Not applicable

**36. Accounts payable****(1). Presentation of accounts payable**

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Accounts payable for market and auxiliary works projects	1,158,111,539.96	881,114,454.44
Accounts payable for logistics park projects	180,132,641.98	216,635,705.68
Accounts payable for procurement for the hotel project	29,601,176.89	17,465,421.40
Trade payables	12,022,684.89	58,894,383.76
Other	10,386,805.55	17,204,438.87
Total	1,390,254,849.27	1,191,314,404.15

**(2). Important accounts payable with an aging of over 1 year or overdue**

Applicable Not applicable

Other statements

Applicable Not applicable

The accounts payable are free of interest and are generally paid within two months after receipt of the payment notice or based on the project contracts and progress of projects. The balance payments for the projects are made after completion of settlement.

**37. Advances from customers****(1). Presentation of advances from customers**

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Advance receipt of merchant payment	373,307,194.00	639,009,194.79
Rental advances	224,790,926.84	236,525,969.44
Other	4,266,275.80	10,458,105.25
Total	602,364,396.64	885,993,269.48

**(2). Important advances with the age over 1 year**

Applicable Not applicable

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

Applicable Not applicable

Other statements

Applicable Not applicable

Due to the fact that prepayments mainly come from prepaid merchant payments and prepaid rent, with relatively small individual amounts, there were no single large prepayments with an aging of more than 1 year as of December 31, 2023.

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

Unit: RMB

Item	Closing balance	Opening balance
Advances from customers for use fee of shops	3,034,398,081.66	2,982,431,412.43
Advances from customers for goods	820,058,121.03	653,697,926.33
Advances from customers for advertising fee	141,534,555.46	228,163,127.56
Advances from customers for use fee of networking cables	16,677,298.52	17,747,693.18
Advances from customers for loyalty of brands	9,350,894.14	11,119,366.97
Advances from customers for housing purchase	5,090,581.43	31,199,591.78
Other	39,470,433.49	66,678,903.31
Total	4,066,579,965.73	3,991,038,021.56

**(2). Significant contractual liabilities with an aging of over 1 year**Applicable Not applicable**(3). Amount of and reasons for material changes to book value during the reporting period**Applicable Not applicable

Other notes:

Applicable Not applicable**39. Payroll payable****(1). Presentation of payroll payable**√Applicable Not applicable

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Short-term compensation	179,702,065.74	486,402,894.67	518,009,339.80	148,095,620.61
II. Post employment benefits – defined contribution plan	3,433,248.77	31,953,916.99	35,009,527.83	377,637.93
III. Severance benefits	-	1,428,540.80	1,428,540.80	-
Total	183,135,314.51	519,785,352.46	554,447,408.43	148,473,258.54

**(2). Presentation of short-term compensation**

√Applicable □Not applicable

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
1. Salary, bonus, allowance and subsidy	178,068,953.19	391,454,219.31	421,716,444.51	147,806,727.99
2. Employee benefits	-	39,628,080.38	39,628,080.38	-
3. Social security contribution	1,271,605.09	19,271,833.41	20,375,796.24	167,642.26
In which: contribution to medical insurance scheme	1,094,163.11	18,513,195.27	19,527,208.57	80,149.81
Contribution to work-related injury insurance scheme	118,960.20	716,616.49	777,639.15	57,937.54
Contribution to maternity insurance scheme	58,481.78	42,021.65	70,948.52	29,554.91
4. Housing provident fund	63,951.00	26,027,789.00	26,008,936.00	82,804.00
5. Contribution to trade union fund and employee education fund	297,556.46	10,020,972.57	10,280,082.67	38,446.36
Total	179,702,065.74	486,402,894.67	518,009,339.80	148,095,620.61

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

√Applicable □Not applicable

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
1. Contribution to the basic endowment insurance scheme	3,232,206.01	30,904,130.35	33,772,733.76	363,602.60
2. Contribution to the unemployment insurance scheme	201,042.76	1,049,786.64	1,236,794.07	14,035.33
Total	3,433,248.77	31,953,916.99	35,009,527.83	377,637.93

Other notes:

□Applicable √Not applicable

**40. Tax payable**

√Applicable □Not applicable

Unit: RMB

Item	Closing balance	Opening balance
VAT	12,041,528.84	56,402,798.28
Corporate income tax	179,050,896.50	6,138,842.64
Individual income tax	1,153,545.22	1,275,355.73
Urban maintenance and construction tax	101,195.78	2,521,434.47
Land appreciation tax	-	66,652.63
Real estate tax	86,296,272.76	84,142,438.27
Land use tax	67,659,355.62	60,454,035.23
Other	1,882,454.99	3,996,867.16
Total	348,185,249.71	214,998,424.41

Other notes:

As of December 31, 2023, the main taxes prepaid by the Group were as follows: Unit: RMB

Item	Qiantang	Occident Center	Total amount of
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	Impression Real Estate Project	Real Estate Project	prepaid tax
Business tax	240,013.55	-	240,013.55
Urban maintenance and construction tax	-	731,793.32	731,793.32
Land appreciation tax		247,373.48	247,373.48
Education surcharge and local education surcharge	-	522,709.51	522,709.51
Total	240,013.55	1,501,876.31	1,741,889.86

**41. Other payables****(1). Presentation of items**

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Other payables	1,862,720,723.00	1,325,596,105.43
Total	1,862,720,723.00	1,325,596,105.43

Other notes:

Applicable Not applicable

**(2). Interest payable**

Presentation by category

Applicable Not applicable

Significant overdue interests payable:

Applicable Not applicable

Other notes:

Applicable Not applicable

**(3). Dividend payable**

Presentation by category

Applicable Not applicable

**(4). Other payables**

Presentation of other payables by nature

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Pending investment refunds	977,172,602.34	429,637,665.00
Withholdings, deposit and margin	490,913,484.14	490,392,164.12
Operating expenses payable	320,135,730.30	284,502,534.04
Restricted stock incentive plan	74,367,173.75	120,092,075.00
Other	131,732.47	971,667.27
Total	1,862,720,723.00	1,325,596,105.43

Significant other payables with an aging of over 1 year or overdue

Applicable Not applicable

Other notes:

Applicable Not applicable

#### 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	93,995,355.93	345,934.69
Bonds payable due within 1 year	61,508,191.79	61,508,191.79
Lease liabilities due within 1 year	23,637,246.52	24,998,166.53
Total	179,140,794.24	86,852,293.01

Other notes:

No

#### 44. Other current liabilities

Other current liabilities

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
Short-term financing notes payable	3,025,604,467.02	3,012,256,419.90
Payment business transactions	360,157,213.40	397,125,623.54
Tax for items to be charged off	124,426,245.96	59,992,173.80
Dividend announced but not collected before listing	2,083,112.65	2,083,112.65
Dividend payable to to-be-recognized accounts	2,653,400.82	2,449,697.11
Total	3,514,924,439.85	3,473,907,027.00

**Changes in short-term bonds payable:**

√Applicable □Not applicable

Unit: RMB

Bond Name	Face value	Coupon rate (%)	Issuing Date	Bond Term	Issuing Amount	Opening Balance	Current Repayment in the current period	Interest accrued based on face value	Premium/discount amortization	Repayment in the current period	Closing Balance	Whether it was overdue
Super Short-term Financing Bond	100	2.09	September 21, 2022	240 days	1,000,000,000.00	1,005,457,214.61	-	7,901,917.81	383,333.34	1,013,742,465.76	-	No
Super Short-term Financing Bond	100	2.30	October 26, 2022	240 days	1,000,000,000.00	1,003,733,756.28	-	10,901,369.86	480,555.56	1,015,115,681.70	-	No
Super Short-term Financing Bond	100	3.00	November 22, 2022	120 days	1,000,000,000.00	1,003,065,449.01	-	6,575,342.47	222,222.22	1,009,863,013.70	-	No
Super Short-term Financing Bond	100	2.85	March 20, 2023	179 days	1,000,000,000.00	-	999,502,777.78	13,976,712.33	497,222.22	1,013,976,712.33	-	No
Super Short-term Financing Bond	100	2.57	May 17, 2023	177 days	1,000,000,000.00	-	999,515,068.49	12,462,739.73	484,931.51	1,012,462,739.73	-	No
Super Short-term Financing Bond	100	2.68	June 20, 2023	269 days	1,000,000,000.00	-	999,252,777.78	14,317,808.22	538,888.89	-	1,014,109,474.89	No

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Super Short-term Financing Bond	100	2.72	September 13, 2023	210 days	1,000,000,000.00	-	999,424,657.53	8,197,260.27	216,675.00	-	1,007,838,592.80	No
Super Short-term Financing Bond	100	2.78	November 8, 2023	268 days	1,000,000,000.00	-	999,267,759.57	4,112,876.71	275,763.05	-	1,003,656,399.33	No
Total	/	/	/	/	8,000,000,000.00	3,012,256,419.90	4,996,963,041.15	78,446,027.40	3,099,591.79	5,065,160,613.22	3,025,604,467.02	/

Other notes:

Applicable Not applicable

As of December 31, 2023, the annual interest rate of the above-mentioned short-term financing bonds was 2.09% -3.00% (December 31, 2022: 1.75% -3.00%).

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

Unit: RMB

Item	Closing balance	Opening balance
Credit loans	956,794,218.96	404,845,934.69
Long-term borrowings due within one year	-93,995,355.93	-345,934.69
Total	862,798,863.03	404,500,000.00

Notes on the classification of long-term borrowings:

No

Other notes:

√Applicable Not applicable

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

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

Unit: RMB

Item	Closing balance	Opening balance
Bonds payable	3,559,960,676.26	3,558,925,011.54
Bonds payable due within one year	-61,508,191.79	-61,508,191.79
Total	3,498,452,484.47	3,497,416,819.75

**(2). Specific situation of payable bonds: (excluding preferred stocks, perpetual bonds, and other financial instruments classified as financial liabilities)**√Applicable Not applicable

Unit: RMB

Bond Name	Face value	Coupon rate (%)	Issuing Date	Bond Term	Issuing Amount	Opening Balance	Issuing in the current period	Interest accrued based on face value	Premium/discount amortization	Repayment in the current period	Transferred in this year and due within one year	Closing Balance	Whether it was overdue
MTN	100	3.29	Feb 24, 2022	3Y	1,000,000,000.00	999,177,980.44	-	27,942,465.75	365,065.82	-	27,942,465.75	999,543,046.26	No
MTN	100	3.57	Mar 29, 2022	3Y	500,000,000.00	499,572,104.09	-	13,546,438.36	182,028.04	-	13,546,438.36	499,754,132.13	No
MTN	100	3.00	Jul 20, 2022	3Y	500,000,000.00	499,516,212.89	-	6,739,726.03	183,057.80	-	6,739,726.03	499,699,270.69	No
Corporate bonds	100	2.88	Sep 1, 2022	3Y	800,000,000.00	799,551,093.23	-	7,701,041.10	163,021.75	-	7,701,041.10	699,762,450.85	No
Corporate bonds	100	2.88	Sep 22, 2022	3Y	700,000,000.00	699,599,429.10	-	5,578,520.55	142,491.31	-	5,578,520.55	799,693,584.54	No
Total	/	/	/	/	3,500,000,000.00	3,497,416,819.75	-	61,508,191.79	1,035,664.72	-	61,508,191.79	3,498,452,484.47	/

**(3). Description of convertible corporate bonds**Applicable Not applicable

Accounting treatment and judgment basis for equity conversion

Applicable Not applicable**(4). Notes on other financial instruments classified as financial liabilities**

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

Applicable Not applicable

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

Applicable Not applicable

The basis for classifying other financial instruments as financial liabilities:

Applicable Not applicable

Other notes:

Applicable Not applicable

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

Unit: RMB

Item	Closing balance	Opening balance
Undiscounted amount of finance lease payables	295,896,757.48	320,577,235.56
Unrecognized financing charges	-95,427,304.70	-88,955,333.06
Lease liabilities due within 1 year	-23,637,246.52	-24,998,166.53
Total	176,832,206.26	206,623,735.97

Other notes:

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

**48. Long-term accounts payable****Presentation of items**Applicable Not applicable

Other notes:

Applicable Not applicable**Long-term accounts payable****(1). Long-term payables by nature**Applicable Not applicable**Special accounts payable****(1). Special payables by nature**Applicable Not applicable**49. Long-term payroll payable**Applicable Not applicable**50. Estimated liabilities**√Applicable Not applicable

Unit: RMB

Item	Opening balance	Closing balance	Cause of formation
Pending L/C losses	110,620,306.10	-	
Total	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 June 30, 2023, the Intermediate People's Court of Jinhua City, Zhejiang Province made a judgment that the Group was not liable for compensation.

**51. Deferred income**

Overview of deferred income

√Applicable Not applicable

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Cause of formation
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Asset-related government grants	103,582,129.94	58,272,000.00	1,421,473.71	160,432,656.23	
Total	103,582,129.94	58,272,000.00	1,421,473.71	160,432,656.23	/

Other notes:

Applicable Not applicable

In 2023, the Group received an investment reward of RMB 58,272,000.00 from the Yiwu Free Trade Development Zone Management Committee for the construction of the Yiwu Cross-border E-commerce Logistics Park.

## 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
		Issued new shares	Bonus shares	Shares converted from provident funds	Other	Sub-total	
Total number of shares	5,486,074,176.00	-	-	-	-1,740,000.00	- 1,740,000.00	5,484,334,176.00

Other notes:

On December 28, 2022, the Company held the 6th Meeting of the 9th Board of Directors and the 2nd Meeting of the 9th Board of Supervisors, and reviewed and approved the Proposal on the Satisfaction of the Unlocking Conditions for the First Unlocking Period of the Reserved Grant Part of the 2020 Restricted Stock Incentive Plan. There were a total of 338 incentive objects whose restricted shares could be unlocked, and the total number of restricted shares that could be unlocked was 13.1736 million; On October 19, 2023, the Company held the 13th Meeting of the 9th Board of Directors and the 6th Meeting of the 9th Board of Supervisors, and reviewed and approved the Proposal on the Satisfaction of the Unlocking Conditions for the First Unlocking Period of the Reserved Grant Part of the 2020 Restricted Stock Incentive Plan. There were a total of 29 incentive objects whose restricted shares could be unlocked, and a total of 727,700 restricted shares could be released from restrictions and were listed for circulation on November 6, 2023.

On August 17, 2023, the 12th Meeting of the 9th Board of Directors and the 5th Meeting of the 9th Board of Supervisors of the Group approved the Proposal on Adjusting the Repurchase Price of Restricted Stocks and Repurchasing and Cancelling Some Restricted Stocks. According to Chapter 14 of the Incentive Plan - the Principle of Cancelling Restricted Stock Repurchases, 21 incentive recipients who had been transferred or resigned no longer met the requirements of the Company's incentive plan regarding incentive recipients. The Board of Directors of the Company decided to cancel the qualification of the above-mentioned incentive objects and repurchase and cancel all 1,740,000.00 restricted shares that had been granted but had not yet been unlocked for sale; the repurchase price of shares in the first grant was RMB 2.747 per share, and the repurchase price of shares in the reserved grant was calculated based on the sum of RMB 2.252 per share plus interest calculated at fixed deposit interest rate published by the People's Bank of China in the same period. The total amount of funds for this repurchase was RMB 4.9315 million, all of which was paid with the Company's own funds. The equity cancellation was completed on November 20, 2023.

Through this restricted stock repurchase, the share capital decreased by RMB 1,740,000 this year.

#### 54. Other equity instruments

##### (1). Basic information of other financial instruments such as preferred shares and perpetual bonds outstanding at the end of the reporting period

Applicable Not applicable

##### (2). Changes in other financial instruments such as preferred shares and perpetual bonds outstanding at the end of the reporting period

Applicable Not applicable

Changes in other equity instruments in the current period, the reasons therefor and the basis for relevant accounting treatment:

Applicable Not applicable

Other notes:

Applicable Not applicable

#### 55. Capital reserve

Applicable Not applicable

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Capital surplus (share premium)	1,549,909,197.11	30,340,348.50	3,334,350.00	1,576,915,195.61
Stock incentive	63,106,263.66	16,506,969.91	30,340,348.50	49,272,885.07
Other	38,130,573.19	2,563,433.73	-	40,694,006.92
Total	1,651,146,033.96	49,410,752.14	33,674,698.50	1,666,882,087.60

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

This year, the Group repurchased and cancelled some restricted shares, as detailed in Note VII. 53. The repurchase resulted in a reduction of RMB 3,334,350.00 in corresponding capital reserve.

This year, the Group unlocked some restricted shares. Please refer to Note VII. 53 for details. The corresponding capital reserve for the unlocking restricted shares was RMB 30,340,348.50.

The confirmed share-based payment expense for this year was RMB 16,506,969.91, which was included in the capital reserve.

This year, other shareholders of Hangzhou Weiyi Technology Co., Ltd., an associated company of the Group, injected capital, resulting in an increase of RMB 2,563,433.73 in capital reserve.

#### 56. Treasury shares

Applicable Not applicable

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
Restricted stock incentive plan	119,483,675.00	-	45,116,501.25	74,367,173.75
Total	119,483,675.00	-	45,116,501.25	74,367,173.75

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

This year, the Group unlocked some restricted shares. Please refer to Note VII. 53 for details. The corresponding decrease in treasury shares for the unlocking of restricted shares was RMB 45,116,501.25.

### 57. Other comprehensive income

Applicable Not applicable

Unit: RMB

Item	Opening Balance	Amount in the current period			Closing Balance
		Amount before tax incurred in the current period	Less: income tax	Amount after tax attributable to parent company	
I. Other comprehensive income that cannot be reclassified into profit or loss	-40,818,470.36	57,696,575.32	14,424,143.83	43,272,431.49	2,453,961.13
Change in fair value of other equity instruments investment	-40,818,470.36	57,696,575.32	14,424,143.83	43,272,431.49	2,453,961.13
II. Other comprehensive income to be reclassified into profit or loss	16,809,996.76	4,130,739.43	-	4,130,739.43	20,940,736.19
Other comprehensive income that can be transferred into profit and loss under equity method	4,060,531.46	885,012.68	-	885,012.68	4,945,544.14
Difference arising from the translation of foreign currency financial statements	12,749,465.30	3,245,726.75	-	3,245,726.75	15,995,192.05
Total other comprehensive income	-24,008,473.60	61,827,314.75	14,424,143.83	47,403,170.92	23,394,697.32

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:

No

### 58. Special reserve

Applicable Not applicable

### 59. Surplus reserve

Applicable Not applicable

Unit: RMB

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance

Statutory surplus reserve	1,564,198,440.14	263,568,294.29	-	1,827,766,734.43
Discretionary surplus reserve	40,195,855.68	-	-	40,195,855.68
Other	11,688,840.91	-	-	11,688,840.91
Total	1,616,083,136.73	263,568,294.29	-	1,879,651,431.02

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

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

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

## 60. Undistributed profits

Applicable Not applicable

Unit: RMB

Item	Current period	Previous period
Undistributed profits at the end of the previous reporting period before adjustment	6,651,440,591.35	6,059,496,846.85
Opening undistributed profits after adjustment	6,651,440,591.35	6,059,496,846.85
Plus: net profits attributable to shareholders of the parent company in the current period	2,676,182,133.26	1,104,719,091.71
Less: withdrawal of statutory surplus reserve	263,568,294.29	110,873,341.23
General risk reserve	3,854,655.84	1,038,991.13
Common share dividend payable	356,594,821.44	400,863,014.85
Closing undistributed profits	8,703,604,953.04	6,651,440,591.35

Details of the adjustment of opening undistributed profits:

1. Due to the retrospective adjustment of the Enterprise Accounting Standards and related new regulations, the affected undistributed profit at the beginning of the period was 0.
2. Due to changes in accounting policies, the affected undistributed profit at the beginning of the period was 0.
3. Due to significant accounting error correction, the affected undistributed profit at the beginning of the period was 0.
4. Due to changes in the scope of consolidation caused by the same control, the affected undistributed profit at the beginning of the period was 0.
5. The opening undistributed profits affected by other adjustments together amounted to RMB0.

## 61. Operating revenue and operating cost

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

Applicable Not applicable

Unit: RMB

Item	Amount in the current period		Amount in the previous period	
	Revenue	Cost of sales	Revenue	Cost of sales
Main business	10,934,994,717.64	8,162,868,195.76	7,326,780,315.71	6,335,697,349.64
Other businesses	364,691,948.25	142,873,583.64	292,913,426.89	117,212,480.32

Total	11,299,686,665.89	8,305,741,779.40	7,619,693,742.60	6,452,909,829.96
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**(2). Breakdown information of operating revenue and operating costs**

√Applicable □Not applicable

Unit: RMB

Classified by type of contract	Total	
	Operating revenue	Operating cost
Types of goods		
Sales of goods	6,808,056,513.21	6,757,830,498.54
The use of shops in the China Commodities City markets and the supporting services for operation	3,031,842,382.25	704,097,568.67
Lease	373,627,518.33	214,422,193.06
Hotel accommodation and catering services	336,598,318.68	281,897,490.22
Usage fee	18,907,795.24	-
Other services	730,654,138.18	347,494,028.92
Classified by business area		
Chinese Mainland	11,256,474,935.89	8,274,792,382.65
Overseas	43,211,730.00	30,949,396.75
Classification by time of good transfer		
Transfer at a certain point in time	7,128,957,734.62	6,896,162,715.99
Transfer within a certain period of time	4,170,728,931.27	1,409,579,063.41
Total	11,299,686,665.89	8,305,741,779.40

## Other statements

√Applicable □Not applicable

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

Unit: RMB

Type of contract	Current period
Sales of goods	603,726,924.61
The use of shops in the China Commodities City markets and the supporting services for operation	3,031,842,382.25
Hotel accommodation service	8,997,757.36
Other services	334,919,223.10
Total	3,979,486,287.32

**(3). Contract performance obligations**

√Applicable □Not applicable

Unit: RMB

Item	Time for fulfilling performance obligations	Important payment terms	Nature of the goods that the Company promises to transfer	Whether the Company is the main responsible person	The expected refunds to customers borne by the Company	The types of quality assurance provided by the Company and related obligations
Sales of goods	When delivering goods	Advance payment or right to receive payment after delivery of goods	Trade retail goods	Yes	-	No
The use of shops in the China Commodities City markets	When providing services	Part of the deposit will be collected in advance, and the remaining amount will be collected	Shop use right / supporting services for operation	Yes	-	No

and the supporting services for operation		upon completion of the performance				
Hotel accommodation business	When providing services	Collection upon completion of performance	Hotel accommodation service	Yes	-	No
Hotel catering business	Upon completion of the service	Collection upon completion of performance	Catering services	Yes	-	No
Fixed -time paid funding services	When providing services	Regular collection	Fund sources	Yes	-	No
Total	/	/	/	/	/	/

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

Applicable Not applicable

**(5). Significant contract changes or significant transaction price adjustments**

Applicable Not applicable

Other notes:

In the year 2023, there was no revenue recognized in this period for performance obligations already fulfilled (or partially fulfilled) in the previous period.

**62. Taxes and surcharges**

Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Real estate tax	112,941,296.37	118,168,544.44
Land use tax	15,339,027.73	60,280,050.01
Stamp duty	6,934,464.49	6,790,568.05
Urban maintenance and construction tax	5,991,837.64	6,479,070.41
Education surcharge	2,570,032.07	2,800,755.18
Local education surcharge	1,713,355.49	1,867,176.45
Cultural undertaking development fee	625,040.28	470,626.83
Land appreciation tax	78,890.36	2,035,123.43
Travel tax	2,880.00	2,040.00
Consumption tax	56.64	-
Business tax	-	13,549.21
Total	146,196,881.07	198,907,504.01

Other notes:

No

**63. Sales expenses**

Applicable Not applicable

**6. Unit: RMB**

Item	Amount in the current period	Amount in the previous period
Marketing expenses	147,857,976.01	89,853,590.72

Security and insurance expenses	47,339,389.32	33,844,271.39
Advertising expenses	26,938,539.96	31,743,030.06
Water, electricity and fuel expenses	7,168,737.31	6,953,269.50
Depreciation and amortization	1,150,159.95	17,375,946.53
Other	9,849,218.46	17,909,872.89
Total	240,304,021.01	197,679,981.09

Other notes:

No

#### 64. Administrative expenses

Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Employee and uniform expenses	340,116,581.08	317,219,351.11
Depreciation and amortization	139,058,190.70	96,689,173.47
Intermediary expenses	19,596,664.75	19,137,790.40
Office expenses	17,489,523.41	14,118,875.61
Travel expenses	7,492,084.48	2,365,796.11
Branch establishment expenses	-	40,895,776.63
Other	35,778,586.33	39,039,507.38
Total	559,531,630.75	529,466,270.71

Other notes:

No

#### 65. R&D expenses

Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Labor cost	16,183,479.36	8,829,647.10
Technology development fee	5,154,049.92	4,449,479.90
Depreciation and amortization	165,003.33	3,981,240.06
Other	246,454.69	116,794.82
Total	21,748,987.30	17,377,161.88

Other notes:

No

#### 66. Financial expenses

Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Interest expenses	269,457,747.37	280,924,664.39
Amortization of discount on short-term financing bonds, medium-term notes, and corporate bonds	4,135,256.51	4,370,938.50
Less: interest income	67,433,620.70	132,216,250.44

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Less:capitalized amount of interest	78,823,138.80	1,860,833.33
Foreign exchange gains or losses	-4,963,053.99	-17,091,915.89
Other	2,638,768.94	15,022,286.57
Total	125,011,959.33	149,148,889.80

Other notes:

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

**67. Other income**

√Applicable □Not applicable

Unit: RMB

Classified by nature	Amount in the current period	Amount in the previous period
Government subsidies related to daily activities	32,220,817.34	38,802,684.45
Total	32,220,817.34	38,802,684.45

Other notes:

No

**68. Investment income**

√Applicable □Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Income from long-term equity investment calculated with the equity method	1,035,858,139.92	996,108,417.69
Investment income from held-for-trading financial assets during holding period	273,136.58	448,207.50
Dividend income from other equity instruments investment during holding period	3,762,820.14	12,542,733.80
Interest income from debt investment during holding period	2,525,847.12	79,561.64
Investment income from disposal of held-for-trading financial assets	1,763,697.53	1,841,491.90
Income acquired from other non-current financial assets during the holding period	13,835,189.60	26,916,977.43
Investment income from disposal of other non-current financial assets	-420,758.60	2,118,067.24
Investment income from disposal of wealth management products	1,182,345.06	1,469,407.05
Investment income generated from the disposal of subsidiaries	9,663,095.13	-
Total	1,068,443,512.48	1,041,524,864.25

Other notes:

No

**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	823,330.00	-3,886,171.10

Other non-current financial assets	-53,253,864.83	-1,376,305.49
Total	-52,430,534.83	-5,262,476.59

Other notes:

No

### 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	2,051,497.83	-2,024,409.36
Loss for bad debts of other receivables	85,453.80	209,404.41
Total	2,136,951.63	-1,815,004.95

Other notes:

No

### 72. Loss of impairment of assets

Applicable Not applicable

### 73. Income from disposal of assets

Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Profit and loss on disposal of fixed assets	158,156,221.58	-941,780.66
Gains and losses from the disposal of intangible assets	-4,355,964.93	-
Total	153,800,256.65	-941,780.66

Other notes:

No

### 74. Revenue from non-operating activities

Information of non-operating incomes

Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period	Amount recognized in profit or loss of nonrecurring items for the current period
Reversal of estimated liabilities	110,620,306.10	-	110,620,306.10
Incomes from liquidated damages	5,852,243.61	4,025,760.93	5,852,243.61
Government grants not related to the daily activities of the Company	450,000.00	239,122.00	450,000.00
Other	2,644,569.60	3,234,387.95	2,644,569.60
Total	119,567,119.31	7,499,270.88	119,567,119.31

Other notes:

Applicable Not applicable

## 75. Expenses from non-operating activities

Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period	Amount recognized in profit or loss of nonrecurring items for the current period
Total loss for disposal of non-current assets	14,686,312.67	188,806.68	14,686,312.67
Including: loss for disposal of property, plant and equipment	14,625,133.03	188,806.68	14,625,133.03
Income from disposal of intangible assets	61,179.64		61,179.64
External donation	200,000.00	3,393,094.06	200,000.00
Other	1,931,657.80	622,929.19	1,931,657.80
Total	16,817,970.47	4,204,829.93	16,817,970.47

Other notes:

No

## 76. Income tax expenses

### (1). Overview of income tax expenses

Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Current income tax expenses	517,100,995.28	49,512,382.53
Deferred income tax expenses	9,567,949.07	-3,306,682.14
Total	526,668,944.35	46,205,700.39

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

Applicable Not applicable

Unit: RMB

Item	Amount in the current period
Profits before tax	3,208,071,559.14
Income tax expenses calculated at the statutory/applicable tax rate	802,017,889.79
Impact of different tax rates applied by subsidiaries	-4,424,663.56
Effect of adjusting income tax of previous period	-21,856,875.52
Effect of non-taxable income	-277,753,023.77
Effect of non-deductible costs, expenses and losses	112,513.91
Effect of using deductible losses of unrecognized deferred income tax assets in previous period	-18,466,164.71
Effect of deductible temporary differences or deductible losses of unrecognized deferred income tax assets in the current period	47,039,268.21
Income tax expenses	526,668,944.35

Other notes:

Applicable Not applicable

**77. Other comprehensive income**√Applicable Not applicable

For details, please refer to Note 57. Other comprehensive income

**78. Items of cash flow statement****(1). Cash related to operating activities**

Other cash receipts relating to operating activities

√Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Deposit and margin received	116,180,416.00	231,395,229.79
Bank deposit interest income received	67,433,620.70	131,393,012.77
Bank reserve received	16,787,007.99	2,217,933.25
Government grants received	89,521,343.63	64,453,832.77
Received penalty for breach of contract	5,852,243.61	4,025,760.93
Other	2,000,849.63	1,230,207.23
Total	297,775,481.56	434,715,976.74

Notes on other cash receipts relating to operating activities:

No

Other cash payments relating to operating activities

√Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Major expenses paid	314,258,977.01	270,289,936.11
Deposit and security paid	142,111,784.58	219,259,625.81
Repair costs and expenses paid	68,046,525.32	62,055,970.52
Other	252,418.45	3,728,976.21
Total	524,669,705.36	555,334,508.65

Notes on other cash payments relating to operating activities:

No

**(2). Cash related to investment activities**

Cash received related to important investment activities

√Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Net cash received from disposal of subsidiaries and other business units	12,482,830.94	-
Total	12,482,830.94	-

Description of cash received related to important investment activities

No

Cash paid related to important investment activities

√Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Net cash paid by acquiring subsidiaries and other business units	-	312,616,964.11
Total	-	312,616,964.11

Description of cash paid related to important investment activities

No

Other cash receipts relating to investing activities

Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Subsidies to joint ventures and associates	212,650,200.00	900,328,548.00
Investment return received to be confirmed	587,256,408.09	358,879,565.00
Total	799,906,608.09	1,259,208,113.00

Notes on other cash receipts relating to investing activities:

No

Other cash payments relating to investing activities

Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Payment of financial assistance funds	34,806,218.75	41,772,885.00
Total	34,806,218.75	41,772,885.00

Other cash paid related to investment activities:

No

### (3). Cash related to financing activities

Other cash receipts relating to financing activities

Applicable Not applicable

Other cash payments relating to financing activities

Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Restricted stock cancellation payment paid	4,931,526.57	14,934,064.64
Lease payments paid	38,068,599.31	35,194,742.95
Total	43,000,125.88	50,128,807.59

Other cash paid related to financing activities:

No

## Changes in liabilities arising from financing activities

√Applicable □Not applicable

Unit: RMB

Item	Opening balance	Increase in the current period		Decrease in the current period		Closing balance
		Cash changes	Non-cash changes	Cash changes	Non-cash changes	
Short-term borrowings	1,059,287,361.11	2,000,000,000.00	10,517,527.80	1,450,000,000.00	-	1,619,804,888.91
Non-current liabilities due within one year	86,852,293.01	-	179,140,794.24	86,852,293.01	-	179,140,794.24
Other current liabilities	3,012,256,419.90	4,997,945,194.88	81,545,619.18	5,066,142,766.94	-	3,025,604,467.02
Long-term borrowings	404,500,000.00	596,638,863.03	855,355.93	45,200,000.00	93,995,355.93	862,798,863.03
Bonds payable	3,497,416,819.75	-	62,543,856.51	-	61,508,191.79	3,498,452,484.47
Lease liabilities	206,623,735.97	-	8,277,069.60	14,431,352.79	23,637,246.52	176,832,206.26
Total	8,266,936,629.74	7,594,584,057.91	342,880,223.26	6,662,626,412.74	179,140,794.24	9,362,633,703.93

**(4). Description of cash flows reported on a net basis**

Applicable Not applicable

**(5). Significant activities and financial impacts that do not involve current cash inflows and outflows but affect the financial condition of the enterprise or may affect the cash flow of the enterprise in the future**

Applicable Not applicable

Unit: RMB

Item	2023	2022
Income from reversal of expected liabilities for liquidated damages in international trade agency business	110,620,306.10	-

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

Applicable Not applicable

Unit: RMB

Supplements	Amount in the current period	Amount in the previous period
<b>1. Adjust net profits to cash flow from operating activities:</b>		
Net profits	2,681,402,614.79	1,103,601,132.21
Plus: provision for impairment of assets	-	-
Loss of impairment of credit	-2,136,951.63	1,815,004.95
Depreciation of fixed assets, depletion of oil and gas assets and depreciation of bearer biological assets	379,513,456.85	360,066,867.91
Amortization of right-of-use assets	37,145,011.30	35,119,185.43
Amortization of intangible assets	229,747,637.69	171,380,383.22
Depreciation and amortization of investment real estate	153,648,676.82	129,649,410.69
Amortization of long-term prepaid expenses	88,083,379.01	63,268,555.84
Decrease in expected liabilities	-110,620,306.10	-
Loss from disposal of fixed assets, intangible assets and other long-term assets (gains indicated by "-")	-153,800,256.65	564,167.30
Loss from fixed assets retirement (gains indicated by "-")	14,686,312.67	188,806.68
Loss from changes in fair value (gains indicated by "-")	52,430,534.83	5,262,476.59
Financial expenses (gains indicated by "-")	195,547,220.46	300,670,345.73
Investment loss (gains indicated by "-")	-1,086,606,024.98	-1,093,839,888.05
Decrease in deferred income tax assets (increase indicated by "-")	34,989,888.72	-1,003,615.63
Increase in deferred income tax liabilities (decrease indicated by "-")	-25,421,939.66	-2,303,066.49
Decrease in inventory (increase indicated by "-")	83,106,862.96	-2,892,260.80
Decrease in operating receivables (increase indicated by "-")	-764,673,004.73	210,882,645.92
Increase in operating payables (decrease indicated by "-")	21,509,767.66	89,496,906.62
Other	16,506,969.91	28,163,655.65
Net cash flow from operating activities	1,845,059,849.92	1,400,090,713.77
<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	2,910,178,939.19	1,981,200,941.64
Less: opening balance of cash	1,981,200,941.64	4,006,468,325.47

Add: closing balance of cash equivalents		
Less: opening balance of cash equivalents		
Net increase in cash and cash equivalents	928,977,997.55	-2,025,267,383.83

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

Applicable Not applicable

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

Applicable Not applicable

Unit: RMB

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

Other notes:

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

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

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

**(4). Composition of cash and cash equivalents**

Applicable Not applicable

Unit: RMB

Item	Closing balance	Opening balance
I. Cash	2,910,178,939.19	1,981,200,941.64
In which: cash on hand	249,915.87	220,471.11
Bank deposit that can be used for payment at any time	2,909,921,203.08	1,980,229,200.48
Other monetary capital that can be used for payment at any time	7,820.24	751,270.05
II. Cash equivalents		
Including: bond investments due within three months		
III. Closing balance of cash and cash equivalents	2,910,178,939.19	1,981,200,941.64

Including: cash and cash equivalents with restricted use by the parent company or its subsidiaries	12,556,381.42	10,098,029.66
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**(5). Situations where the scope of use is limited but still listed as cash and cash equivalents**

Applicable Not applicable

**(6). Monetary funds that do not belong to cash and cash equivalents**

Applicable Not applicable

Other notes:

Applicable Not applicable

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

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

Applicable Not applicable

**81. Foreign currency monetary items**

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

Applicable Not applicable

Unit: RMB

Item	Closing balance in foreign currency	Exchange rate	Closing amount after conversation: RMB Balance
Cash and cash equivalents			
In which: USD	13,929,827.95	7.0827	98,660,792.42
EURO	50,031.35	7.8592	393,206.39
Rwandan Franc	6,283,437.00	0.0056	35,250.08
Dirham	37,176.25	1.9326	71,845.11
Koruna	2,563,165.56	0.3175	813,703.35
Accounts receivable			
In which: USD	30,535.19	7.0827	216,271.59
EURO	9,898.57	7.8592	77,794.84
Koruna	14,954,701.88	0.3175	4,747,524.41
Other receivables			
In which: USD	229,798.71	7.0827	1,627,595.32
EURO	68,110.55	7.8592	535,294.43
Koruna	18,078,776.74	0.3175	5,739,294.20
Accounts payable			
In which: USD	623,635.14	7.0827	4,417,020.61
Koruna	206,795.57	7.8592	65,649.39
Other payables			
In which: USD	1,545,900.71	7.0827	10,949,150.96
EURO	25,492.67	7.8592	200,351.99
Koruna	137,630,939.10	0.3175	43,692,361.62

Other notes:

No

**(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

**82. Lease**

**(1) As a lessee**

Applicable Not applicable

Variable lease payments not included in the measurement of lease liabilities

Applicable Not applicable

Simplified short-term lease or low-value assets leasing expenses

Applicable Not applicable

Simplified short-term lease expenses of RMB 22,693,210.45 included in the current gains.

Simplified low-value assets lease expenses of RMB 457,533.27 included in the current gains.

Leaseback transactions and judgment basis

Applicable Not applicable

The total cash outflow related to leasing was RMB 38,068,599.31.

**(2) As a lessor**

Operating lease as lessor

Applicable Not applicable

Financing lease as lessor

Applicable Not applicable

Adjustment table for undiscounted lease receipts and net lease investments

Applicable Not applicable

Undiscounted lease receipts for the next five years

Applicable Not applicable

**(3) Confirmed gains and losses of financing lease sales as a manufacturer or distributor**

Applicable Not applicable

Other statements

The leased assets of the Group include houses, buildings, land use rights, and other equipment used in the operating process. The lease term for houses and buildings is usually 2-5 years, and the lease term for land use rights is 10 years.

For right-of-use assets, see Note VII. 25; for lease liabilities, please refer to Note VII. 47.

**83. Other**

Applicable Not applicable

**VIII. R&D expenditure**

**(1). Listed by nature of expenses**

Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Labor cost	37,912,543.15	32,297,207.29
Technology development fee	9,327,714.50	11,980,011.94

Depreciation and amortization	1,010,603.36	4,304,601.41
Other	407,409.81	716,588.19
Total	48,658,270.82	49,298,408.83
Among them: Expensed R&D expenditure	21,748,987.30	17,377,161.88
Capitalized R&D expenditure	26,909,283.52	31,921,246.95

Other notes:

No

## (2). R&D project development expenditure that meet capitalization criteria

Applicable Not applicable

Unit: RMB

Item	Opening amount Balance	Increase in the current period	Decrease in the current period	Closing amount Balance
		Internal development expenditure	Recognized as intangible assets	
Kuajietong Core Payment System	4,108,355.16	4,900,821.08	5,346,188.96	3,662,987.28
The development project for platform "chinagoods"	552,640.71	22,008,462.44	7,575,648.50	14,985,454.65
Total	4,660,995.87	26,909,283.52	12,921,837.46	18,648,441.93

Important capitalized research and development projects

Applicable Not applicable

Provision for impairment of development expenditure

Applicable Not applicable

Other statements

No

## (3). Important outsourced projects under research

Applicable Not applicable

## IX. Changes in consolidation scope

### 1. Mergers of enterprises not under common control

Applicable Not applicable

### 2. Mergers of the enterprises under common control

Applicable Not applicable

#### (1). Mergers of enterprises under the same control that occurred in this period

Applicable Not applicable

#### (2). Merger cost

Applicable Not applicable

**(3). The book value of assets and liabilities of the merged party on the merger date**

Applicable Not applicable

Other notes:

No

**3. Reverse acquisition**

Applicable Not applicable

#### 4. Disposal of subsidiaries

Whether there were any transactions or events that resulted in the loss of control over a subsidiary in this period

√Applicable □Not applicable

Unit: RMB

Name of subsidiary	Time of loss of control	Consideration of the disposal at the point of loss of control	Disposal ratio at the point of loss of control (%)	Disposal methods at the point of loss of control	Basis for determining the point of loss of control	Difference between the consideration of the disposal and the share in the subsidiary's net assets in the consolidated financial statement corresponding to the investment disposed	Remaining shareholding ratio on the date of loss of control (%)	The book value of the remaining equity at the consolidated financial statement level on the date of loss of control	Fair value of remaining equity at the consolidated financial statement level on the date of loss of control	Gains or losses from the remaining shareholding re-calculated by fair value	Method and main assumptions for determining the fair value of remaining equity at the consolidated financial statement level on the date of loss of control	The amount of other comprehensive income related to equity investments in the original subsidiary transferred to investment gains and losses or retained earnings
Yiwu Huanqiyida Logistics Co., Ltd.	January 31, 2023	24,120,000.00	60	Equity transfer	Both parties completed the equity transfer procedures	9,663,095.13	-	-	-	-	NA	-

Other notes:

√Applicable □Not applicable

The relevant financial information of Yiwu Huanqiu Yida Logistics Co., Ltd. is as follows:

Unit: RMB

	January 31, 2023
Current assets	12,384,901.06
Non-current assets	10,002,530.76
Current liabilities	1,313,280.50
Non-current liabilities	-
Net assets	21,074,151.32

Did the Group dispose of subsidiaries through multiple transactions and lose control in the current period?

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

In this period, the Company established a subsidiary, Yiwu Yandoo Shangtu Catering Co., Ltd., and cancelled a subsidiary, Yiwu China Commodities City Commerce and Trade Service Training Center Co., Ltd.

**6. Other**

Applicable Not applicable

**X. Equity in Other Entity****1. Equity in subsidiaries****(1). Composition of the enterprise group**

√Applicable □Not applicable

Unit: RMB 10,000

Subsidiary Name	Main place of businesses	Registered capital	Place of registration	Business	Shareholding ratio (%)		Acquisition Method
					Direct	Indirect	
Yiwu China Commodities City Import and Export Co., Ltd.	Yiwu, Zhejiang	10,000.00	Yiwu, Zhejiang	Wholesale	100		Establishment
Yiwu China Commodities City Supply Chain Management Co., Ltd.	Yiwu, Zhejiang	10,000.00	Yiwu, Zhejiang	Wholesale	100		Establishment
Yiwu Comprehensive Bonded Zone Operation and Management Co., Ltd.	Yiwu, Zhejiang	10,000.00	Yiwu, Zhejiang	Business service	100		Establishment
Yiwu China Commodities City Overseas Investment and Development Co., Ltd.	Yiwu, Zhejiang	10,000.00	Yiwu, Zhejiang	Business service	100		Establishment
Yiwu China Commodities City Tourism Development Co., Ltd.	Yiwu, Zhejiang	10,000.00	Yiwu, Zhejiang	Business service	100		Establishment
Yiwu China Commodities City Assets Operation and Management Co., Ltd.	Yiwu, Zhejiang	1,000.00	Yiwu, Zhejiang	Business service	100		Establishment

Zhejiang Yindu Hotel Management Co., Ltd.	Yiwu, Zhejiang	1,000.00	Yiwu, Zhejiang	Business service	100		Establishment
Yiwu Yandoo Shangtu Catering Co., Ltd	Yiwu, Zhejiang	500.00	Yiwu, Zhejiang	Business service		100	Establishment
Yiwu China Commodities City Research Institute Co., Ltd.	Yiwu, Zhejiang	1,000.00	Yiwu, Zhejiang	Business service	100		Establishment
Yiwu Shangbo Shuzhi Enterprise Management Co., Ltd.	Yiwu, Zhejiang	30,000.00	Yiwu, Zhejiang	Business service	100		Establishment
Yiwu China Commodities City Big Data Co., Ltd.	Yiwu, Zhejiang	10,000.00	Yiwu, Zhejiang	Software and Information Technology Service Industry	100		Establishment
Yiwu Xinlian Technology Service Co., Ltd.	Yiwu, Zhejiang	1,000.00	Yiwu, Zhejiang	Professional technical service industry		51	Establishment
Yiwu Commodities City Gonglian Property Co., Ltd.	Yiwu, Zhejiang	20,000.00	Yiwu, Zhejiang	Real estate	100		Establishment
Yiwu Shangbo Yuncang Enterprise Management Co., Ltd. (formerly known as Yiwu Shangbo Real Estate Co., Ltd.)	Yiwu, Zhejiang	30,000.00	Yiwu, Zhejiang	Real estate	100		Establishment
Yiwu China Commodities City	Yiwu, Zhejiang	5,000.00	Yiwu, Zhejiang	IT	100		Establishment

Information Technology Co., Ltd.							
Yiwu China Commodities City Financial Holdings Co., Ltd.	Yiwu, Zhejiang	400,000.00	Yiwu, Zhejiang	Financial industry	100		Establishment
Yiwu China Commodities City Logistics and Warehousing Co., Ltd.	Yiwu, Zhejiang	10,000.00	Yiwu, Zhejiang	Multimodal transport and transportation agency	100		Establishment
Yiwu China Commodities City Exhibition Co., Ltd.	Yiwu, Zhejiang	3,000.00	Yiwu, Zhejiang	Business service	98	2	Establishment
Zhejiang Huajie Investment and Development Co., Ltd.	Yiwu, Zhejiang	50,000.00	Yiwu, Zhejiang	Business service	96.4		Incorporation+acquisition
European Huajie Investment Development Co., Ltd.	Prague, Czech Republic	CZK1,580.00	Prague, Czech Republic	Business service		96.4	Incorporation+acquisition
Zhejiang China Commodities City Group Commercial Factoring Co., Ltd.	Yiwu, Zhejiang	20,000.00	Yiwu, Zhejiang	Financial industry	60	40	Establishment
Zhejiang Yiwugou E-commerce Co., Ltd.	Yiwu, Zhejiang	10,000.00	Yiwu, Zhejiang	IT		51	Establishment
Yiwu Xingchen Enterprise Management Co., Ltd. (former name: Yiwu China Commodity	Yiwu, Zhejiang	15,000.00	Yiwu, Zhejiang	IT		100	Establishment

City Payment Network Technology Co., Ltd.)							
Yiwu China Commodities City Advertising Co., Ltd.	Yiwu, Zhejiang	1,000.00	Yiwu, Zhejiang	Advertising		100	Establishment
Yiwu International Trade Comprehensive Service Co., Ltd.	Yiwu, Zhejiang	10,000.00	Yiwu, Zhejiang	Wholesale		60	Establishment
Yiwu China Commodities City Credit Investigation Co., Ltd.	Yiwu, Zhejiang	1,000.00	Yiwu, Zhejiang	Service		85	Establishment
Yiwu Aiximao Supply Chain Management Co., Ltd.	Yiwu, Zhejiang	500.00	Yiwu, Zhejiang	Service		100	Establishment
Yiwu China Commodities City Internet Financial Information Service Co., Ltd.	Yiwu, Zhejiang	1,000.00	Yiwu, Zhejiang	Financial industry		100	Incorporation+acquisition
Yiwu China Commodity City RMB and Foreign Currency Exchange Co., Ltd.	Yiwu, Zhejiang	1,000.00	Yiwu, Zhejiang	Financial industry		100	Establishment
Hangzhou Shangbo Nanxing Property Co., Ltd.	Hangzhou, Zhejiang	5,000.00	Hangzhou, Zhejiang	Real estate	100		Establishment
Haicheng Yiwu China Commodities City Investment	Haicheng, Liaoning	60,000.00	Haicheng, Liaoning	Real estate		95	Establishment

Development Co., Ltd.							
Ningxia Yiwu China Commodity City Supply Chain Management Co., Ltd.	Shizuishan, Ningxia	2,000.00	Shizuishan, Ningxia	Service		100	Establishment
Yiwu China Commodities City (Hong Kong) International Trade Co., Ltd.	Hong Kong, China	HKD 1.00	Hong Kong, China	Wholesale		100	Establishment
Hong Kong Better Silk Road Co., Ltd.	Hong Kong, China	HKD 10800.00	Hong Kong, China	Service		100	Establishment
Huafrica (Kenya) Investment Development Co., Limited	Nairobi, Kenya	KES 3000.00	Nairobi, Kenya	Service		100	Establishment
BETTER SILK ROAD FZE	Dubai, UAE	AED 5040.00	Dubai, UAE	Service		100	Establishment
BETTER SILK ROAD RWANDA Ltd	Kigali, Rwanda	RWF 27000.00	Kigali, Rwanda	Service		100	Establishment
Yiwu Zheqing Trading Co., Ltd.	Yiwu, Zhejiang	2,200.00	Yiwu, Zhejiang	Wholesale		100	Establishment
Yiwu China Commodity City (Germany) Co., Ltd.	Frankfurt, Germany	EUR 100.00	Frankfurt, Germany	Service		100	Establishment
Yiwu China Commodities City (Spain) Co., Ltd.	Madrid, Spain	EUR 20.00	Madrid, Spain	Service		100	Establishment
Zhejiang Xunchi Digital Technology Co., Ltd.	Hangzhou, Zhejiang	19,000.00	Hangzhou, Zhejiang	IT	100		Acquisition
Kuaijietong Payment	Hangzhou,	18,000.00	Hangzhou,	IT		100	Acquisition

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Service Co., Ltd.	Zhejiang		Zhejiang				
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Explanation for the difference between the shareholding ratio and voting right ratio in a subsidiary:

No

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:

No

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

No

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

No

Other notes:

No

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

√Applicable □Not applicable

Unit: RMB

Name of subsidiary	Minority shareholders' shareholding ratio	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.	49.00%	10,163,252.63	-	60,894,351.29
Haicheng Company	5.00%	-5,020,346.01	-	-52,440,215.21

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: RMB 10,000

Name of subsidiary	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Zhejiang Yiwugou E-commerce Co., Ltd.	12,224.24	5,653.21	17,877.45	5,450.03	-	5,450.03	9,108.24	5,688.44	14,796.68	4,438.90	4.49	4,443.39
Haicheng Company	109,040.55	83,210.84	192,251.39	297,131.82	-	297,131.82	112,283.93	89,899.98	202,183.91	297,023.65	-	297,023.65

Name of subsidiary	Amount in the current period				Amount in the previous period			
	Operating revenue	Net profits	Total comprehensive income	Cash flow from operating activities	Operating revenue	Net profits	Total comprehensive income	Cash flow from operating activities

Zhejiang Yiwugou E-commerce Co., Ltd.	6,410.06	2,074.13	2,074.13	1,847.41	4,881.33	1,206.88	1,206.88	2,240.52
Haicheng Company	5,163.04	-10,045.22	-10,045.22	-3,939.04	24,288.25	-8,909.95	-8,909.95	-1,114.29

Other notes:

No

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

Applicable Not applicable

**(5). Financial or other supports provided to structured entities included in the scope of consolidated financial statements**

Applicable Not applicable

Other notes:

Applicable Not applicable

**2. Transactions in which the Group's share of owners' equity in a subsidiary changes and the Group still controls the subsidiary**

Applicable Not applicable

**3. Equity in joint ventures or associates**

Applicable Not applicable

**(1). Important joint ventures or associates**

Applicable Not applicable

Name of joint venture or associate	Main place of business	Place of registration	Business	Shareholding ratio (%)		Accounting treatment method of investment in the joint venture or associate
				Direct	Indirect	
Joint venture						
Yiwu Shanglv Investment Development Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Real estate	49		Equity method
Yiwu Huishang Redbud Capital Management Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Financial industry		20	Equity method
Yiwu Rongshang Property Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Real estate	49		Equity method
Yiwu Chuangcheng Property Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Real estate	24		Equity method
Yiwu Guoshen Shangbo Property Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Real estate	49		Equity method
Associate						
Yiwu Huishang Redbud Equity Investment Co., Ltd. (Note 6)	Yiwu, Zhejiang	Yiwu, Zhejiang	Commercial services		10.42	Equity method
Zhejiang Chouzhou Financial Lease Co., Ltd.	Hangzhou, Zhejiang	Yiwu, Zhejiang	Financial industry	26		Equity method
Yiwu Huishang Redbud Phase II Investment Partnership (limited partnership) [Note 7]	Yiwu, Zhejiang	Yiwu, Zhejiang	Lease and business service	10.41		Equity method
Yiwu Hongyi Equity Investment Fund Partnership (limited partnership)	Yiwu, Zhejiang	Yiwu, Zhejiang	Financial industry		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

Zhejiang Zhijie Yuangang International Supply Chain Technology Co., Ltd.	Yiwu, Zhejiang	Yiwu, Zhejiang	Technology promotion and application service industry	27		Equity method
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Explanation for the difference between the shareholding ratio and voting right ratio in a joint venture or associate:

No

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

Note 6: The Company held 10.42% (2022: 10.42%) of equity of Yiwu Huishang Redbud Equity Investment Co., Ltd. (hereinafter referred to as "Redbud Equity Investment"), but regarded it as an associated company of the Company. According to Redbud Investment's articles of association, it is engaged in investing and its important financial and operating decision-making activities are to pick and manage investment projects, which have been fully entrusted to the Company's joint venture Yiwu Huishang Redbud Capital Management Co., Ltd. ("Redbud Capital"). Redbud Capital picks and manages investment projects via its investment decision-making committee. Except for special investment matters, which are subject to the resolution of Redbud Investment's board of directors, other important financial and operating decision-making activities are conducted by Redbud Capital on the behalf of Redbud Investment. Therefore, the Company was able to exercise significant influence on Redbud Investment in which the Company held 10.42% of total equity.

Note 7: The Company held 10.41% (2022: 9.43% ) equity of Yiwu Huishang Redbud Phase II Investment Partnership (Limited Partnership) ("Redbud Phase II"), but regarded it as an associated company of the Company. According to Redbud Phase II's articles of association, it is engaged in investing and its important financial and operating decision-making activities are to pick and manage investment projects, which have been fully entrusted to the Company's joint venture Redbud Capital. Redbud Capital picks and manages investment projects via its investment decision-making committee. Except for special investment matters, which are subject to the resolution of Redbud Phase II's board of directors, other important financial and operating decision-making activities are conducted by Redbud Capital on the behalf of Redbud Phase II. Therefore, the Company could exert significant influence on Redbud Phase II of which the Company held 10.41% equity.

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

□Applicable □Not applicable

Unit: RMB 10,000

	Closing balance/amount in the current period				Opening balance/amount in the previous period			
	Yiwu Shanglv	Yiwu Rongshang Property	Yiwu Chuangcheng Property	Guoshen Shangbo	Yiwu Shanglv	Yiwu Rongshang Property	Yiwu Chuangcheng Property	Guoshen Shangbo
Current assets	5,868.55	13,398.19	37,987.32	237,167.69	6,039.08	13,547.12	47,538.36	1,251,563.25
In which: cash and cash equivalents	4,831.90	49.30	95.43	18,717.68	4,316.44	198.23	540.41	88,677.29
Non-current assets	125,809.14	-	1.30	43.43	129,575.34	-	2.12	2,979.93
Total assets	131,677.69	13,398.19	37,988.62	237,211.12	135,614.42	13,547.12	47,540.47	1,254,543.18
Current liabilities	39,666.74	0.09	25,119.76	47,982.62	39,891.24	148.98	34,353.43	1,237,514.91
Non-current liabilities	-	-	1,333.18	-	11,566.36	-	1,333.17	1,571.12
Total liabilities	39,666.74	0.09	26,452.94	47,982.62	51,457.60	148.98	35,686.60	1,239,086.02
Shareholders' equity attributable to parent company	92,010.95	13,398.10	11,535.68	189,228.50	84,156.82	13,398.14	11,853.87	15,457.16
Share of net assets calculated based on shareholding ratio	45,085.36	6,565.07	2,768.56	92,721.97	41,236.84	6,565.09	2,844.93	7,574.01
Adjustments	-1,492.37	-	-	-	-1,539.60	-	-	-
--Unrealized profits of internal transactions	-1,492.37	-	-	-	-1,539.60	-	-	-
Book value of equity investment in joint ventures	43,592.99	6,565.07	2,768.56	92,721.97	39,697.24	6,565.09	2,844.93	7,574.01
Operating revenue	24,671.44	-	-	1,126,150.25	17,580.08	395,959.62	302,152.46	56,974.31
Financial expenses	918.04	-0.10	0.38	-127.32	1,608.93	-0.94	-33.92	-1,139.10
Income tax expenses	2,644.13	0.14	285.55	56,464.96	454.50	573.35	18,521.80	3,912.35
Net profits	7,854.06	-0.04	-318.19	173,771.35	2,618.68	87,577.34	56,192.82	10,525.21
Total comprehensive income	7,854.06	-0.04	-318.19	173,771.35	2,618.68	87,577.34	56,192.82	10,525.21
Dividends received from joint ventures this year	-	-	-	-	-	58,086.56	19,447.68	-

Other statements  
No

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

√Applicable □Not applicable

Unit: RMB 10,000

	Closing balance/amount in the current period					Opening balance/amount in the previous period				
	Chouzhou Financial Lease	Hongyi Fund	CCCP	Pujiang Lvgu	Zhijie Yuangan	Chouzhou Financial Lease	Hongyi Fund	CCCP	Pujiang Lvgu	Zhijie Yuangan
Current assets	101,696.23	15,500.19	2,046,024.61	127,841.28	57,624.29	77,387.23	25,476.19	1,752,170.30	121,318.40	45,894.85
Non-current assets	1,917,528.55	170,802.46	46,906.23	6,373.07	3,134.11	1,605,298.30	163,831.11	43,109.75	777.45	137.68
Total assets	2,019,224.78	186,302.65	2,092,930.84	134,214.36	60,758.39	1,682,685.53	189,307.30	1,795,280.05	122,095.85	46,032.53
Current liabilities	1,209,345.22	2,275.47	1,239,064.78	59,238.51	20,449.28	1,132,279.05	89.88	1,029,256.12	45,646.63	2,363.50
Non-current liabilities	588,800.25	-	201,027.66	4,303.02	-	362,250.51	-	147,172.22	-	-
Total liabilities	1,798,145.47	2,275.47	1,440,092.44	63,541.53	20,449.28	1,494,529.55	89.88	1,176,428.34	45,646.63	2,363.50
Shareholders' equity attributable to parent company	221,079.31	184,027.18	652,838.40	70,672.83	40,309.11	188,155.98	189,217.42	618,851.71	76,449.22	43,669.03
Share of net assets calculated based on shareholding ratio	57,480.62	91,958.38	312,067.18	34,629.69	10,883.38	48,920.55	94,570.87	303,237.34	37,460.12	11,790.64
Adjustments	15.26	-1,475.01	177.26	334.48	2,314.82	-	-6.66	-4,689.27	423.84	2,765.71
--Unrealized profits of internal transactions	15.26	-1,475.01	177.26	334.48	2,314.82	-	-6.66	-4,689.27	423.84	2,765.71
Book value of equity investment in joint ventures	57,495.88	90,483.37	312,244.44	34,964.17	13,198.20	48,920.55	94,564.21	298,548.07	37,883.96	14,556.34
Operating revenue	71,405.89	-	292,351.52	2.75	55,854.47	56,469.66	-	209,890.13	9,831.72	2,554.69
Net profits	32,923.33	3,055.34	28,003.14	-5,776.39	-5,030.15	24,301.81	10,670.77	43,105.17	2,642.70	-1,330.97
Total comprehensive income	32,923.33	3,055.34	28,003.14	-5,776.39	-5,030.15	24,301.81	10,655.05	43,105.17	2,642.70	-1,330.97

Dividend on associates received in the current year	-	-	-	-	-	-	-	-	8,820.00	-
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Other statements  
No

**(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	30,629,677.74	31,984,094.03
Total amounts of the following items calculated based on shareholding ratio		
--Net profits	-1,354,416.29	-54,341,295.28
--Other comprehensive income	-	-
--Total comprehensive income	-1,354,416.29	-54,341,295.28
Associates:		
Total book value of investments	451,803,256.03	489,944,751.13
Total amounts of the following items calculated based on shareholding ratio		
--Net profits	-39,026,507.78	15,004,810.36
--Other comprehensive income	885,012.68	4,139,085.99
--Total comprehensive income	-38,141,495.10	19,143,896.35

Other statements

No

**(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. Other**Applicable Not applicable

**XI. Government grants****1. Government subsidies recognized by accounts receivable at the end of the reporting period**√Applicable Not applicable

Closing balance of accounts receivable 0 (unit: RMB)

Reasons for not receiving the expected amount of government subsidies at the expected time point

Applicable Not applicable**2. Liabilities items involving government subsidies**√Applicable Not applicable

Unit: RMB

Financial statement items	Opening balance	Increase in grant amount in the current period	Amount included in non-operating income in the current period	Transferred to other income in this period	Other changes in this period	Closing balance	Related to assets/income
Deferred income	103,582,129.94	58,272,000.00	-	1,421,473.71	-	160,432,656.23	Asset-related
Total	103,582,129.94	58,272,000.00	-	1,421,473.71	-	160,432,656.23	/

**3. Government grants recognized in the profit or loss for the current period**√Applicable Not applicable

Unit: RMB

Type	Amount in the current period	Amount in the previous period
Asset-related	1,421,473.71	1,421,473.68
Income-related	30,799,343.66	37,381,210.77
Total	32,220,817.37	38,802,684.45

Other notes:

No

## XII. Risks associated with financial instruments

### 1. Risk of financial instruments

√Applicable Not applicable

The risks associated with financial instruments faced by the Group in regular activities mainly include credit risk, liquidity risk and market risk. The risk management policies of the Group for these risks are outlined below.

The Group diversifies its investment and business portfolio appropriately to diversify financial instrument risks, and reduces risks concentrated in any single industry, specific region, or specific counterparty by formulating corresponding risk management policies.

#### 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.

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.

Other financial assets of the Group include accounts receivable, other receivables, other current assets, debt investments, long-term receivables, and other non-current assets. The credit risk of these financial assets arises from counterparty defaults, and the maximum risk exposure is equal to the book value of these instruments.

The Group also faces credit risks due to providing financial guarantees, as disclosed in Note XVI. 2.

Due to the Group only engaging in transactions with recognized and reputable third parties, no collateral is required. Credit risk is centrally managed based on customers/counterparties, geographic regions, and industries. 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.

#### *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. The main criteria for the Group to judge a significant increase in credit risk are significant changes in one or more of the following indicators: the operating environment of the debtor, internal and external credit ratings, and significant adverse changes in actual or expected operating results.

#### *Definition of the assets whose credit has been impaired*

The main criterion for determining credit impairment in the Group is that if internal or external information shows that the contract amount may not be fully recovered before considering any credit enhancement held.

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

#### *Credit risk exposure*

Disclose the credit risk exposure of the book balance of financial assets according to the credit risk level, and disclose the expected credit losses for the next 12 months and the credit losses for the entire duration of the asset separately.

The Group directly accounts for accounts receivable using simplified methods and provides impairment provisions for expected credit losses of other accounts receivable in the next 12 months using general methods. The quantitative data of the Group's credit risk exposure arising from accounts receivable and other accounts receivable are detailed in Note VII. 5 and Note VII. 9.

### Liquidity risk

The Group's goal is to use various financing methods to maintain a balance between the sustainability and flexibility of financing. The Group finances its operations through funds generated from operations and borrowings.

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

#### December 31, 2023

Item	Within 1 year	1-2 years	2-3 years	Over 3 years	Total
Short-term borrowings	1,633,387,388.91	-	-	-	1,633,387,388.91
Accounts payable	1,390,254,849.27	-	-	-	1,390,254,849.27
Other payables	1,393,726,397.83	-	-	468,994,325.17	1,862,720,723.00
Other current liabilities	3,420,706,329.61	-	-	-	3,420,706,329.61
Non-current liabilities due within one year	193,144,703.38	-	-	-	193,144,703.38
Long-term borrowings	20,441,113.41	48,482,098.41	55,102,649.41	798,322,481.14	922,348,342.37
Lease liabilities	-	32,905,926.59	32,828,436.37	194,173,777.30	259,908,140.26
Bonds payable	-	3,608,950,000.00	-	-	3,608,950,000.00
Total	8,051,660,782.41	3,690,338,025.00	87,931,085.78	1,461,490,583.61	13,291,420,476.80

#### 2022

Item	Within 1 year	1-2 years	2-3 years	Over 3 years	Total
Short-term borrowings	1,066,763,333.33	-	-	-	1,066,763,333.33
Accounts payable	1,191,314,404.15	-	-	-	1,191,314,404.15
Other payables	835,667,583.73	-	-	489,928,521.70	1,325,596,105.43
Other current liabilities	3,440,379,594.46	-	-	-	3,440,379,594.46
Non-current liabilities due within one year	146,035,730.32	-	-	-	146,035,730.32
Long-term borrowings	11,321,500.00	62,268,500.00	160,416,125.00	268,150,000.00	502,156,125.00
Lease liabilities	-	35,662,549.03	32,085,308.05	225,253,417.58	293,001,274.66
Bonds payable	-	108,950,000.00	3,608,950,000.00	-	3,717,900,000.00
Total	6,691,482,145.99	206,881,049.03	3,801,451,433.05	983,331,939.28	11,683,146,567.35

### 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 rate risk by closely monitoring changes in interest rates and regularly reviewing borrowings.

As of December 31, 2023, the Group had a long-term loan of RMB 763 million in its long-term liabilities. The interest rate is adjusted based on the benchmark loan interest rate on that day at the end of each year, and will not be adjusted in the middle of the year. Therefore, the management believes that the risk of changes in market interest rates is relatively low.

#### Foreign exchange rate risk

The Group faces trading exchange rate risks. Such risks are caused by sales or purchases made by certain business units in currencies other than their bookkeeping currency. Considering the Group's short time of inventory and timely collection of accounts receivable, the management believe that its foreign exchange rate risk is relatively low.

#### Price risk of equity instrument investments

The price risk of equity instrument investments refers to the risk of the fair value of equity securities decreasing due to the changes in stock indices and value of individual securities. As of December 31, 2023, the Group was exposed to equity instrument investment price risk arising from individual equity instrument investments classified as measured at fair value through profit or loss (Note VII. 2) and classified as measured at fair value through other comprehensive income (Note VII. 18). The Group manages risks by holding investment portfolios with different risks.

The following table illustrates the sensitivity of the Group's net profit and loss and other comprehensive income net after tax to every 10% change in the fair value of equity instrument investments based on the book value at the balance sheet date, assuming that all other variables remain constant.

#### 2023

	Equity instrument investment book value	Net profit or loss	Other comprehensive income net after tax	Total shareholders' equity
Equity instrument investment		increase/(decrease)	increase/(decrease)	increase/(decrease)
Fair value increase/decrease by 10%				
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	556,897,379.17	-	41,767,303.44	41,767,303.44
Equity instrument investments measured at fair value through profit or loss	15,130,895.00	1,134,817.13	-	1,134,817.13

#### 2022

	Equity instrument investment book value	Net profit or loss	Other comprehensive income net after tax	Total shareholders' equity
Equity instrument investment		increase/(decrease)	increase/(decrease)	increase/(decrease)
Fair value increase/decrease				

by10%				
Investment in the equity instruments that are measured by fair value and of which the changes in fair value are recognized in other comprehensive income	499,200,803.85	-	37,440,060.29	37,440,060.29
Equity instrument investments measured at fair value through profit or loss	23,651,565.00	1,773,867.38	-	1,773,867.38

The Group manages and adjusts its capital structure based on the changes in the economic situation and the risk characteristics of related assets. To maintain or adjust the capital structure, the Group may adjust the distribution of profits to shareholders, return capital contribution to shareholders or issue new shares. The Group is not subject to external mandatory capital requirements. There were no changes in capital management goals, policies, or procedures from 2022 to 2023.

### Capital management

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

The Group manages and adjusts its capital structure based on the changes in the economic situation and the risk characteristics of related assets. To maintain or adjust the capital structure, the Group may adjust the distribution of profits to shareholders, return capital contribution to shareholders or issue new shares. The Group is not subject to external mandatory capital requirements. There were no changes in the capital management goals, policies, or procedures f from 2022 to 2023.

The Group adopts an asset-liability ratio to manage capital, which refers to the ratio of total liabilities to total assets. The Group's policy will maintain a relatively stable asset-liability ratio. Total liabilities include current liabilities and non-current liabilities. The asset-liability ratio of the Group on the balance sheet date is as follows:

	2023	2022
Total liabilities	<u>18,515,009,702.36</u>	<u>16,829,907,934.73</u>
Total assets	<u>36,218,947,223.63</u>	<u>32,111,004,317.38</u>
Asset-liability ratio	<u>51.12%</u>	<u>52.41%</u>

## 2. Hedging

### (1) The Company conducts hedging business for risk management

Applicable Not applicable

Other statements

Applicable Not applicable

**(2) The Company conducts eligible hedging business and applies hedging accounting**

Applicable Not applicable

Other statements

Applicable Not applicable

**(3) The Company conducts hedging business for risk management and expects to achieve risk management goals, but has not applied hedging accounting**

Applicable Not applicable

Other statements

Applicable Not applicable

**3. Financial asset transfer**

**(1) Classification of transfer methods**

Applicable Not applicable

**(2) Financial assets derecognized due to transfer**

Applicable Not applicable

**(3) Transferred financial assets in which the Group continued to be involved**

Applicable Not applicable

Other statements

Applicable Not applicable

**XIII. 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			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
<b>I. Continuous fair value measurement</b>				
(1) Held-for-trading financial assets	15,130,895.00	-	-	15,130,895.00
1. Financial assets that are measured at fair value and whose changes are included in the current profit and loss	15,130,895.00	-	-	15,130,895.00
(2) Investment in equity instruments	15,130,895.00	-	-	15,130,895.00
(3) Other equity instruments investment	556,897,379.17	-	-	556,897,379.17
(vi) Other non-current financial assets	-	-	1,421,569,904.19	1,421,569,904.19
<b>Total assets continuously measured by fair value</b>	<b>572,028,274.17</b>	<b>-</b>	<b>1,421,569,904.19</b>	<b>1,993,598,178.36</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 project is equity instruments of the listed company, and fair value is determined based on market quotations.

**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

**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 financial department of the Group is led by the general manager of the financial department of the group, who is responsible for formulating policies and procedures for the measurement of fair value of financial instruments. The general manager of the financial department of the Group reports directly to the Financial Director of the group, and the Financial Director 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 purpose of annual financial statements, the valuation process and results are discussed twice a year with the audit committee.

Non-listed equity instrument investments are estimated at fair value using the market method based on unobservable market prices or interest rate assumptions, or fair value is determined using the asset-based method for non-listed equity instruments as of the balance sheet date. The Group needs to determine comparable listed companies based on industry, scale, leverage, and strategy, and calculate appropriate market multipliers, such as price to earnings ratios, for each identified comparable listed company. Adjust based on specific facts

and circumstances of the enterprise, taking into account factors such as liquidity and size differences with comparable listed companies. The Group believes that the fair value and its changes estimated using valuation techniques are reasonable and the most appropriate value on the balance sheet date. For the fair value of non-listed equity instrument investments, the Group estimates the potential impact of using other reasonable and possible assumptions as inputs to the valuation model.

**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

**9. Other**

Applicable Not applicable

**XIV. Related parties and related-party transactions**

**1. Parent company of the Company**

Applicable Not applicable

Unit: RMB 10,000

Name of parent company	Place of registration	Business	Registered capital	Shareholding ratio in the Company (%)	Voting right ratio in the Company (%)
Yiwu China Commodities City Holdings Limited	Yiwu, Zhejiang	Asset management	100,000	55.40	55.40

Notes on the parent company of the Company

No

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

Other notes:

No

**2. Subsidiaries of the Company**

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

Applicable Not applicable

Please refer to Note VI. 1. Equity in Subsidiaries

### 3. Joint ventures and associates of the Company

For details of the Company's important joint ventures or associates, please refer to the Notes  
Applicable Not applicable

Please refer to Note X. 3 Equity in Joint Ventures or Associates

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 previous year which resulted in an outstanding amount are as follows

Applicable Not applicable

Name of joint venture or associate	Relationship with the Company
Yiwu Shanglv	Joint venture
Yiwu Huishang Redbud Capital Management Co., Ltd.	Joint venture
Yiwu China Commodities City Creative Design and Development Services Co., Ltd.	Joint venture
Yiwu Guoshen Shangbo Property Co., Ltd.	Joint venture
Yiwu Rongshang Property Co., Ltd.	Joint venture
Hangzhou Binjiang Shangbo Property Development Co., Ltd.	Associate
Huishang Micro-finance	Associate
Zhejiang Yemai Data Technology Co., Ltd.	Associate
Yiwu Meipinshu Supply Chain Management Co., Ltd.	Associate
JEBEL ALI FREE ZONE TRADER MARKET DEVELOPMENT AND OPERATION FZCO	Associate
Yiwu Digital Port Technology Co., Ltd.	Associate
CCCP	Associate
Hangzhou MicroAnts Co., Ltd.	Associate
Yiwu Huishang Redbud Equity Investment Co., Ltd.	Associate
Zhejiang Zhijie Yuangang International Supply Chain Technology Co., Ltd.	Associate
Yiwu Heimahui Enterprise Service Co., Ltd.	Associate
Yiwu Shangfu Chuangzhi Investment Center (limited partnership)	Associate

Other statements

Applicable Not applicable

### 4. Other related parties

Applicable Not applicable

Name of other related party	Relationship with the Company
Yiwu State-owned Capital Operation Co., Ltd.	Parent company of controlling shareholder of the Company's largest shareholder
Yiwu Market Development Group Co., Ltd.	Controlling shareholder of the Company's largest shareholder
Yiwu Security Service Co., Ltd.	Subsidiary of controlling shareholder of the Company's largest shareholder
Yiwu Agriculture Development Co., Ltd.	Subsidiary of controlling shareholder of the Company's largest shareholder

Yourworld International Conference Center Company of Yiwu Market Development Group Co., Ltd.	Branch of Controlling shareholder of the Company's largest shareholder
Yiwu Handing Shangbo Real Estate Co., Ltd.	Subsidiary of the Company's largest shareholder
Yiwu Gongchen Shangbo Property Co., Ltd.	Subsidiary of the Company's largest shareholder
Yiwu China Commodities City Property Service Co., Ltd.	Subsidiary of the Company's largest shareholder
Yiwu Comprehensive Bonded Zone Enterprise Management Co., Ltd.	Subsidiary of the Company's largest shareholder
Yisha Chengdu International Trade City Co., Ltd.	Minority shareholder of major subsidiaries
Zhejiang Yiwu Rural Economic Development Co., Ltd.	Subsidiary of controlling shareholder of the Company's largest shareholder

Other statements

No

## 5. Related-party transactions

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

Purchasing goods/accepting service

Applicable Not applicable

Unit: RMB

Related party	Contents of related-party transaction	Amount in the current period	Approved transaction amount (if applicable)	Whether the transaction limit is exceeded (if applicable)	Amount in the previous period
Yiwu China Commodities City Property Service Co., Ltd.	Property service fee and greening maintenance fee	181,414,943.66	NA	NA	184,739,755.70
Yiwu Security Service Co., Ltd.	Exhibition security service fee	17,321,354.13	NA	NA	28,188,230.28
Yiwu Shangbo Yungu Enterprise Management Co., Ltd.	Construction fee	11,048,288.61	NA	NA	1,100,800.00
Zhejiang Yemai Data Technology Co., Ltd.	Purchase payment and platform service fee	2,793,096.42	NA	NA	2,291,695.43
Yiwu China Commodities City Creative Design and Development Services Co., Ltd.	Design fee	2,440,943.96	NA	NA	3,472,843.99
Zhejiang Zhijie Yuangang International Supply Chain Technology Co., Ltd.	Service fees	2,000,000.00	NA	NA	-
Hangzhou MicroAnts Co., Ltd.	Information service fee	244,523.00	NA	NA	-

Yiwu Digital Port Technology Co., Ltd.	Technical service fee and hardware equipment fee	-	NA	NA	4,948,197.00
Yiwu Agriculture Development Co., Ltd.	Purchase payment	-	NA	NA	2,042,604.35

Selling goods/rendering service  
Applicable Not applicable

Related party	Contents of related-party transaction	Unit: RMB	
		Amount in the current period	Amount in the previous period
Yiwu China Commodities City Property Service Co., Ltd.	Product sales and system development	4,153,162.42	2,175,245.60
MDG and its branch Xingfuhu International Conference Center	Laundering fees	2,627,096.60	1,054,026.05
Zhejiang Zhijie Yuangang International Supply Chain Technology Co., Ltd.	Storage fee income	2,147,325.34	-

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

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	Unit: RMB
						Entrustment income/contracting income recognized in the current period
Yiwu Market Development Group Co., Ltd.	The Company	Entrustment of other assets	Feb 1, 2020	Jan 31, 2025	Negotiated price	954,484.23

Notes on entrustment/contracting from related parties  
Applicable Not applicable

According to the management contract signed between the Company and Yiwu Market Development Group Co., Ltd. for the Yourworld International Conference Center, the Company is entrusted to manage the Yourworld International Conference Center Hotel located at No. 100 Xingfuhu Road, Yiwu City. The hotel management fee charged during this reporting period was RMB 954,484.23 (2022: RMB 514,979.27).

Entrusted management/contracted by the Company  
Applicable Not applicable

Notes on related-party management/contracting  
Applicable Not applicable

**(3). Related-party lease**

The Company as the lessor:

√Applicable □Not applicable

Unit: RMB

Name of lessee	Type of leased asset	Rental income recognized in the current period	Rental income recognized in the previous period
Yiwu China Commodities City Property Development Co., Ltd.	Office space	988,924.55	1,126,617.29
Yiwu Market Development Service Center Co., Ltd.	Parking lot	562,755.00	516,288.99
Yiwu Shanglv Investment Development Co., Ltd.	Office space	458,715.60	1,376,146.79
Yiwu Huishang Redbud Capital Management Co., Ltd.	Office space	272,279.43	246,819.06
Yiwu China Commodities City Property Service Co., Ltd.	Office space	194,279.41	122,445.99
Hangzhou MicroAnts Co., Ltd.	Office space	162,259.84	-
Yiwu Meipinshu Supply Chain Management Co., Ltd.	Office space	-	207,058.99
Huishang Micro-finance	Office space	-	49,791.48
<b>Total</b>		<b>2,639,213.83</b>	<b>3,645,168.59</b>

The Company as the lessee

√Applicable □Not applicable

Unit: RMB

lessor name	Type of leased asset	Simplified treatment of rental expenses for short-term leases and leases of low-value assets (if applicable)		Variable lease payments not included in the measurement of the lease liability (if applicable)		Rent paid		Interest expense on lease liability assumed		Increased right-of-use assets	
		Amount in the current period	Amount in the previous period	Amount in the current period	Amount in the previous period	Amount in the current period	Amount in the previous period	Amount in the current period	Amount in the previous period	Amount in the current period	Amount in the previous period
Yiwu China Commodities City Holdings Limited	Warehouses	15,025,937.62	15,015,618.37	-	-	16,378,272.00	16,378,272.00	-	-	-	-

Notes on related-party lease

√Applicable □Not applicable

The Group rent office spaces from above related parties at market prices

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

The Company as the guarantor

√Applicable Not applicable

Unit: RMB

The guaranteed	Amount of guarantee	Starting date of the guarantee	Expiry date of the guarantee	Is the guarantee fulfilled in full
Yiwu Shanglv	45,754,890.24	Jul 1, 2015	Dec 15, 2026	No

The Company as the guaranteed party

Applicable √Not applicable

Notes on related-party guarantees

√Applicable Not applicable

The Group provided guarantee for the borrowings of Yiwu Shanglv. As of December 31, 2023, Yiwu Shanglv actually borrowed RMB 93.3773 million ( December 31, 2022: RMB 193.4681 million ) from banks. According to the guarantee contract, the Group assumed liability for RMB 45.7549 million (December 31, 2022: RMB 94.7993 million). Yiwu State-owned Capital Operation Co., Ltd. provided a counter-guarantee for this guarantee.

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

√Applicable □Not applicable

Unit: RMB

Related party	Amount	Starting date	Maturity date	Description of
<b>Borrowings</b>				
Chengzhen Property	58,803,200.00	Jan 18, 2022		In 2022, the Group transferred a total of RMB 58,803,200.00 from Chengzhen Real Estate, according to the shareholding ratio, at the annual interest rate of 0%. As of December 31, 2023, RMB 34,806,218.79 had been transferred back, and the remaining fund repayment date would be determined based on the funding needs of Chengzhen Real Estate projects.
Yiwu Guoshen Shangbo Property Co., Ltd.	230,600,000.00	Oct 31, 2022		The Group allocated a total of RMB 230,600,000.00 of surplus funds from Guoshen Shangbo in 2022. The allocations were based on the share holding rate and the annual interest rates were 0%. The Group allocated a total of RMB 489,988,200.00 of surplus funds from Guoshen Shangbo in 2023. The repayment date would be determined according to the funding needs of Guoshen Shangbo projects.
Yiwu Guoshen Shangbo Property Co., Ltd.	294,000,000.00	Jun 29, 2023		
Yiwu Guoshen Shangbo Property Co., Ltd.	98,000,000.00	Oct 30, 2023		
Yiwu Guoshen Shangbo Property Co., Ltd.	97,988,200.00	Nov 1, 2023		
Yiwu Rongshang Property Co., Ltd.	64,418,683.00	Jun 30, 2022		The Company received a pre-dividend of RMB 64,418,683.00 from Rongshang Real Estate in 2022, and the specific date of repayment of funds would be determined according to the distribution of dividend resolutions.
Huishang Zijing	4,500,000.00	Dec 31, 2021		The Company received a pre-dividend of RMB 4,500,000.00 from Huishang Redbud in 2021, a pre-dividend of RMB12,000,000.00 from Huishang Redbud in 2022, and a pre-dividend of RMB 2,250,000.00 from Huishang Redbud in 2022. The specific date of return of funds would be determined according to the distribution of dividend resolutions.
Huishang Zijing	12,000,000.00	Dec 31, 2022		
Huishang Zijing	2,250,000.00	Dec 29, 2023		

Related party	Amount	Starting date	Maturity date	Description of
<b>Lending to</b>				
Yiwu Handing Shangbo Real Estate Co., Ltd.	204,604,400.00	Dec 11, 2020		The Group provided financial assistance to Handing Shangbo totaling RMB 204,604,400.00 in 2020, and provided financial assistance to Handing Shangbo totaling RMB 17,845,800.00 in 2021, with an annual interest rate of 6%. Handing Shangbo has repaid all the funds as of December 31, 2023.
Yiwu Handing Shangbo Real Estate Co., Ltd.	17,845,800.00	May 11, 2021		

JEBEL ALI FREE ZONE TRADER MARKET DEVELOPMENT AND OPERATION FZCO	63,465,484.42	Mar 9, 2020	In 2020, the Group provided JEBEL ALI FREE ZONE TRADER MARKET DEVELOPMENT AND OPERATION FZCO financial assistance totaling RMB 63,465,484.42; in 2021, the Group provided it with financial assistance totaling RMB 109,636,517.09; in 2022, the Group provided it with financial assistance totaling RMB 41,772,885.00, all at an annual interest rate of 6-month average EIBOR plus 5%. The repayment term of the financial assistance would be determined based on the progress of the project.
JEBEL ALI FREE ZONE TRADER MARKET DEVELOPMENT AND OPERATION FZCO	109,636,517.09	Mar 31, 2021	
JEBEL ALI FREE ZONE TRADER MARKET DEVELOPMENT AND OPERATION FZCO	41,772,885.00	May 12, 2022	

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

Applicable Not applicable

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

Applicable Not applicable

Unit: RMB 10,000

Item	Amount in the current period	Amount in the previous period
Remunerations of key officers	1,956.51	1,775.94

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

Applicable Not applicable

Related party entrusted loan

Unit: RMB

Unit	2023	2022
Yisha Chengdu International Trade City Co., Ltd.	48,000,000.00	48,000,000.00

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

**6. Unsettled items such as accounts receivable and related parties payable****(1). Receivables**

√Applicable □Not applicable

Unit: RMB

Item	Related party	Closing balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Accounts receivable	Yiwu China Commodities City Property Service Co., Ltd.	711,617.24	13,307.24	-	-
Accounts receivable	Yourworld International Conference Center Company of Yiwu Market Development Group Co., Ltd.	535,559.20	10,205.81	168,814.20	1,676.53
Accounts receivable	Yiwu Market Development Group Co., Ltd.	292,500.00	5,573.98		-
Accounts receivable	Yiwu Shanglv Investment Development Co., Ltd.	7,824.20	149.10	-	-
Accounts receivable	Yiwu China Commodities City Property Development Co., Ltd.	999.00	19.04	-	-
Accounts receivable	Yiwu Tonghui Shangbo Real Estate Co., Ltd.	-	-	6,200,000.00	61,573.54
<b>Total</b>		<b>1,548,499.64</b>	<b>29,255.17</b>	<b>6,368,814.20</b>	<b>63,250.07</b>
Other receivables	Yiwu Market Development Group Co., Ltd.	440,168.00	-	-	-
Other receivables	Yiwu China Commodities City Property Service Co., Ltd.	132,400.00	-	-	-
Other receivables	Yiwu Market Development Service Center Co., Ltd.	42,393.12	-	-	-
Other receivables	Hangzhou Weiyi	342.58	-	1,288.00	-
Other receivables	Zhejiang Xingfuhu Sports Development Co., Ltd.	148.30	-	-	-
Other receivables	Handing Shangbo	-	-	207,750,200.00	-
Other receivables	Tonghui Shangbo	-	-	116,036,712.09	-
Other receivables	Gongchen Shangbo	-	-	562,755.00	-
<b>Total</b>		<b>615,452.00</b>	<b>-</b>	<b>324,350,955.09</b>	<b>-</b>
Long-term receivables	JEBEL ALI FREE ZONE TRADER MARKET DEVELOPMENT AND FZCOR MARKET DEVELOPMENT AND OPERATZON FZCO	238,905,772.12	-	233,127,115.20	-
Long-term receivables	Yiwu Shanglv	31,850,000.00	-	36,750,000.00	-
<b>Total</b>		<b>270,755,772.12</b>	<b>-</b>	<b>269,877,115.20</b>	<b>-</b>

## (2). Payables

√Applicable □Not applicable

Unit: RMB

Item	Related party	Closing book balance	Opening book balance
Accounts payable	Yiwu China Commodities City Property Service Co., Ltd.	5,606,633.72	13,728,471.27
Accounts payable	Yiwu Shangbo Yungu Enterprise Management Co., Ltd.	3,592,709.55	-
Accounts payable	Yiwu Digital Port Technology Co., Ltd.	1,692,174.34	-
Accounts payable	Zhejiang Yemai Data Technology	629,311.13	713,020.54
Accounts payable	Yiwu Agriculture Development Co., Ltd.	402,739.20	1,791,720.12
Accounts payable	Yiwu Security Service Co., Ltd.	-	919,817.45
<b>Total</b>		<b>11,923,567.94</b>	<b>17,153,029.38</b>
Advance from customers	Yiwu China Commodities City Property Service Co., Ltd.	932,547.16	-
Advance from customers	Yiwu China Commodities City Property Development Co., Ltd.	824,103.79	583,018.86
Advance from customers	Yiwu Shanglv Investment Development Co., Ltd.	649,847.09	-
Advance from customers	Yiwu Shangbo Yungu Enterprise Management Co., Ltd.	584,230.37	-
Advance from customers	Yiwu Market Development Group Co., Ltd.	403,301.89	-
Advance from customers	Zhejiang Zhijie Yuangang International Supply Chain Technology Co., Ltd.	274,063.34	-
Advance from customers	Yiwu Meipinshu Supply Chain Management Co., Ltd.	209,100.37	-
Advance from customers	Yiwu Digital Port Technology	156,951.99	-
Advance from customers	Redbud Capital	90,759.83	-
<b>Total</b>		<b>4,124,905.83</b>	<b>583,018.86</b>
Contract liabilities	Yiwu China Commodities City Property Service Co., Ltd.	139,919.81	94,027.70
Contract liabilities	Yiwu Digital Port Technology Co., Ltd.	45,657.30	35,519.71
Contract liabilities	Huishang Micro-finance	11,792.46	11,792.46
Contract liabilities	Yiwu Shangbo Yungu Enterprise Management Co., Ltd.	4,880.58	-

Contract liabilities	Zhejiang Yiwu Rural Economic Development Co., Ltd.	-	84,905.66
Contract liabilities	Yiwu Security Service Co., Ltd.	-	974.76
Total		202,250.15	227,220.29
Other payables	Yiwu Guoshen Shangbo Property Co., Ltd.	720,588,200.00	230,600,000.00
Other payables	Yiwu Rongshang Property Co., Ltd.	64,418,683.00	64,418,683.00
Other payables	Yiwu Chengzhen Property Co., Ltd.	23,996,981.25	58,803,200.00
Other payables	Yiwu Huishang Redbud Equity Investment Co., Ltd.	18,750,000.00	16,500,000.00
Other payables	Yiwu Huishang Redbud Phase II Investment Partnership (limited partnership)	5,000,000.00	-
Other payables	Zhejiang Zhijie Yuangang International Supply Chain Technology Co., Ltd.	322,800.00	150,000.00
Other payables	Yiwu China Commodities City Property Development Co., Ltd.	240,000.00	240,000.00
Other payables	Yiwu Shangbo Yungu Enterprise Management Co., Ltd.	200,000.00	200,000.00
Other payables	Yiwu Shanglv Investment Development Co., Ltd.	-	108,333.33
Other payables	Yiwu Heimahui Enterprise Service Co., Ltd.	100,000.00	100,000.00
Other payables	Yourworld International Conference Center Company of Yiwu Market Development Group Co., Ltd.	96,522.47	78,908.97
Other payables	Zhejiang Yemai Data Technology	70,430.19	21,328.50
Other payables	Yiwu Meipinshu Supply Chain Management	57,000.00	57,000.00
Other payables	Hangzhou MicroAnts Co., Ltd.	26,000.00	26,000.00
Other payables	Yiwu Digital Port Technology Co., Ltd.	25,000.00	-
Other payables	Yiwu China Commodities City Property Service Co., Ltd.	5,062.00	-
Other payables	Yiwu China Commodities City Trading Co., Ltd.	2,500.00	2,500.00
Other payables	Yiwu Security Service Co., Ltd.	-	14,740.00
Total		833,899,178.91	371,320,693.80

**(3). Other projects**

√Applicable □Not applicable

Unit: RMB

Item	Related party	Closing book balance	Opening book balance
Debt investments	Yisha Chengdu International Trade City Co., Ltd.	48,073,333.34	48,079,561.64

**7. Related-party commitments**

□Applicable √Not applicable

**8. Other**

Applicable Not applicable

**XV. Share-based payment****1. Various equity instruments**

Applicable Not applicable

Quantity unit: share Amount unit: RMB

Grant object category	Grant in this period		Unlocked in this period		Expired in this period	
	Qty.	Amount	Qty.	Amount	Qty.	Amount
Management personnel	-	-	13,711,500.00	29,922,651.00	1,740,000.00	4,193,400.00
R&D personnel	-	-	189,750.00	417,697.50	-	-
Total	-	-	13,901,250.00	30,340,348.50	1,740,000.00	4,193,400.00

Stock options or other equity instruments issued to the public as of the end of the period

Applicable Not applicable

Grant object category	Other equity instruments issued to the public as of the end of the period	
	The range of exercise price	Remaining term of the contract
Management and R&D personnel	2.94/2.39	60 months from the date of grant

Other statements

No

**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
Important parameters of fair value of equity instruments on grant date	/
Basis for determining the number of exercisable equity instruments	Determined based on the number of incentive objects that have reached the assessment target, through 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	No
Cumulative amount of equity-settled share-based payments included in the capital reserve	79,041,715.15

Other statements

No

**3. Share-based payment settled with cash**

Applicable Not applicable

**4. Share-based payment expenses in this period**

√Applicable □Not applicable

Unit: RMB

Grant object category	Equity-settled share-based payment expenses	Cash-settled share-based payment expenses
Administrative expenses	15,837,337.16	/
R&D expenses	669,632.75	
Total	16,506,969.91	/

**Other statements**

On December 10, 2020, the Fifth Extraordinary General Meeting of Shareholders of the Company approved the Proposal on the 2020 Restricted Stock Incentive Plan (Draft) and its Abstract, granting stock options to 405 eligible directors, senior management, core technical personnel, and other personnel deemed necessary by the Board of Directors to be incentivized. The price for the restricted stocks in the first grant under this plan was RMB 2.94 per share; The price for the restricted stocks in the reserved grant was RMB 2.39 per share.

On September 6, 2021, Zhejiang Zhicheng Certified Public Accountants (Special General Partnership) issued the capital verification report (Zhezhihuiyizi [2021] No. 17): The Company has received a total of RMB 5,592,600.00 for subscription of restricted shares from 31 restricted stock incentive objects, including RMB 2,340,000.00 in newly registered capital (share capital), and RMB 3,252,600.00 in capital reserve. The registered capital and share capital of the Company before the capital increase were both RMB 5,489,914,176.00, and the registered capital and share capital after the change were both RMB 5,492,254,176.00. In the registration process of this grant, considering that three of the intended incentive recipients determined on the reserved grant date had voluntarily given up and no longer qualified as incentive recipients, the actual number of incentive objects subscribed for this time was 31, and the number of subscribed shares was 2.34 million. On November 4, 2021, the registration procedures for the reserved grant of restricted stocks involved in this incentive plan were completed, and the Shanghai Branch of China Securities Depository and Clearing Corporation Limited issued the "Securities Change Registration Certificate".

On July 19, 2022, the 51st Meeting of the 8th Board of Directors and the 14th Meeting of the 8th Board of Supervisors of the Company reviewed and approved the Proposal on Adjusting the Repurchase Price of Restricted Stocks and Repurchasing and Cancelling Some Restricted Stocks. According to the provisions of Chapter 14, Principle of Restricted Stock Repurchase and Cancellation in the Company's Incentive Plan, the 45 incentive recipients who had been transferred or resigned no longer met the relevant provisions of the Company's incentive plan. The Board of Directors of the Company decided to cancel the qualification of the above-mentioned incentive objects and repurchase and cancel all 5,200,000.00 restricted shares that had been granted but had not yet been unlocked for sale. In accordance with the relevant provisions of the Incentive Plan, the repurchase prices of the restricted stocks in the first and reserved grant would be adjusted. The repurchase price of the restricted stocks in the first grant after adjustment was RMB 2.812/share, and the repurchase price the restricted stocks in the reserved grant after adjustment was RMB 2.317/share. The total amount of restricted stock repurchase funds this time was RMB 14.9341 million, and all the above-mentioned repurchase funds would be paid with the Company's own funds.

**5. Modification and termination of share-based payment**

□Applicable √Not applicable

**6. Other**

□Applicable √Not applicable

## XVI. Commitments and contingencies

### 1. Important commitments

√Applicable Not applicable

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

Unit: RMB

Capital commitments	2023	2022
Signed but not provided	4,549,081,338.19	3,451,663,094.71

In 2017, the Group's wholly-owned subsidiary Yiwu China Commodities City Financial Holdings Co., Ltd. ("CCCF") and Shanghai Fuxing Industry Group Co., Ltd. ("Fuxing Group") jointly established an industry fund Yiwu China Commodities City Fuxing Investment Center (Limited Partnership) (hereinafter referred to as the "FOF"). The FOF as a limited partner invested in 12 sub-funds including Yiwu Shangfu Chuangzhi Investment Center (Limited Partnership) ("Shangfu Chuangzhi Fund"). CCCF subscribed for capital contribution of RMB 998 million in the FOF as a limited partner, accounting for 49.9% of the total capital contribution, and has paid in RMB 102.92 million. The unpaid portion of its subscribed capital contribution was promised to be RMB 895.08 million and was not subject to a term. CCCF also made capital contribution of RMB 9.8 million (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 RMB 823.36 million in total. The FOF has subscribed for and paid in capital contribution of RMB 205.84 million as a limited partner (including the above RMB 102.92 million 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 RMB 617.51 million. In addition, neither the Group nor CCCF did not invest in other sub-funds of the FOF. Shangfu Chuangzhi Fund subsequently subscribed to the increased registered capital of Hubei Asset Management Co., Ltd. for RMB 820.54 million, holding 22.6667% of its equity. In 2019, 9 out of the 12 sub-funds mentioned above were cancelled.

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. As of the date of approval for the financial statements, the relevant equity was still frozen.

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

In addition, as of December 31, 2023, the Group had other investment commitments totaling RMB 117.68 million (December 31, 2022: RMB 282.61 million).

For lease commitment as a lessee, please refer to Note VII. 82.

### 2. Contingencies

#### (1). Important contingencies on the balance sheet dates

√Applicable Not applicable

Unit: RMB

Item	2023	2022
Contingent liabilities resulting from the guarantee provided externally	50,384,223.92	99,645,681.29

According to relevant regulations, the Group is required to provide mortgage loan guarantees to the bank for the sale of commercial housing before the purchaser of the housing has completed the property ownership certificate. The outstanding guarantee amount as of December 31, 2023 was RMB 4,629,333.68 (December 31, 2022: RMB 4,846,333.64). Those guarantees would be released after the issuance of the property ownership certificates and are

thus little likely to incur losses. Therefore, the management believed that it was not necessary to make provision for the guarantees.

According to the resolution of the 15th Meeting of the 7th Board of Directors on Jul 1, 2015, the Group applied to the Yiwu Branch of Agricultural Bank of China for a RMB 750 million 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 RMB 367.5 million and the term was 11 years. As of December 31, 2023, Yiwu Shanglv actually borrowed RMB 93,377,327.02 from banks (December 31, 2022: RMB 193,468,056.4). According to the guarantee contract, the Group should bear a guarantee liability of RMB 45,754,890.24 (December 31, 2022: RMB 94,799,347.65) to Yiwu Branch of Agricultural Bank of China. SCO provided a counter-guarantee for this guarantee.

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

Applicable Not applicable

**3. Other**

Applicable Not applicable

**XVII. Post-balance sheet date events**

**1. Important non-adjusting events**

Applicable Not applicable

Unit: RMB			
Item	Contents	Effect on financial status and operating results	Reasons for inability to estimate the effect
Issuance of super-short-term financing bonds	On March 11, 2024, the Company issued Zhejiang China Commodities City Group Co., Ltd.'s 2024 super-short-term financing bonds (Issue 1) for RMB 1 billion, with a term of 268 days and a one-time repayment of principal and interest when due, at an issuance interest rate of 2.40%.		
Issuance of super-short-term financing bonds	On April 7, 2024, the Company issued Zhejiang China Commodities City Group Co., Ltd.'s 2024 super-short-term financing bonds (Issue 2) for RMB 1 billion, with a term of 261 days and a one-time repayment of principal and interest when due, at an issuance interest rate of 2.33%.		

**2. Profit distribution**

Applicable Not applicable

Unit: RMB	
Profits or dividends to be distributed	1,096,866,835.20
Profits or dividends announced through deliberation and approval	1,096,866,835.20

**3. Sales return**

Applicable Not applicable

**4. Other post-balance sheet date events**

Applicable Not applicable

**XVIII. Other important events**

**1. Correction of previous accounting errors**

**(1). Retrospective restatement**

Applicable Not applicable

**(2). Prospective application**

Applicable Not applicable

**2. Significant 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 is 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 trade services division includes providing market-related supporting services;

(c) The supporting service division refers to the operational activities of hotels, including guest room accommodation, catering services, as well as the design, production, publishing, and advertising agency business;

(d) The commodity sales division refers to the business of buying and selling commodities such as export trade.

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

The management manages the operating results of each business unit separately for the purpose of allocating resources and evaluating performance. Division performance is evaluated based on the reported division profits.

### (2). Financial information of reporting divisions

√Applicable    □Not applicable

Unit: RMB million

Item	Market operation	Trade services	Supporting services	Sales of goods	Set-offs among divisions	Total
Revenue from external transactions	3,353	626	514	6,807	-	11,300
Revenue from inter-division transactions	44	97	62	78	281	-
Profits before tax	3,066	102	-62	-3	-105	3,208

Total assets	46,558	9,884	1,498	2,845	24,566	36,219
Total liabilities	27,080	5,124	1,476	1,953	17,118	18,515
Capital expenditures	1,357	18	6	355	-	1,736
Long-term equity investment in joint ventures and associates	5,877	1,145	-	1	-	7,023

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

Applicable Not applicable

**(4). Other statements**

Applicable Not applicable

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

Applicable Not applicable

**8. Other**

Applicable Not applicable

**XIX. Notes to main items in financial statements of parent company**

**1. Accounts receivable**

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

Applicable Not applicable

Unit: RMB

Account age	Closing book balance	Opening book balance
Within 1 year		
In which: sub-items		
Within 1 year	32,222,205.22	20,584,932.68
Within 1 year	32,222,205.22	20,584,932.68
1 to 2 years	621,620.47	1,764,722.07
2 to 3 years	1,195,926.30	100,234.00
Over 3 years	-	-
Total	34,039,751.99	22,449,888.75

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

Applicable Not applicable

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Provision ratio (%)		Amount	Proportion (%)	Amount	Provision ratio (%)	
Accounts receivable for which bad debt provision is made by group	34,039,751.99	100.00	98,315.30	0.29	33,941,436.69	22,449,888.75	100	417,498.04	1.86	22,032,390.71

Among them:										
Provision for bad debt by combination of credit risk characteristics	34,039,751.99	100.00	98,315.30	0.29	33,941,436.69	22,449,888.75	100	417,498.04	1.86	22,032,390.71
Total	34,039,751.99	/	98,315.30	/	33,941,436.69	22,449,888.75	/	417,498.04	/	22,032,390.71

Accounts receivable for which bad debt provision is made individually:

Applicable Not applicable

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

Applicable Not applicable

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	34,039,751.99	98,315.30	0.29
Total	34,039,751.99	98,315.30	0.29

Description of combined provision for bad debts:

Applicable Not applicable

Provision for bad debts based on the general model of expected credit losses

Applicable Not applicable

Unit: RMB

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in the coming 12 months	Expected credit loss in the entire duration (credit has not been impaired)	Expected credit loss in the entire duration (credit has been impaired)	
Balance as of January 1, 2023	417,498.04			417,498.04
Balance as of January 1, 2023 in the current period	417,498.04			417,498.04
Provision made in the current period	109,808.90			109,808.90
Current reversal	428,991.64			428,991.64
Balance as of December 31, 2023	98,315.30			98,315.30

Classification basis and bad debt provision ratio for each stage

No

Explanation of significant changes in the book balance of accounts receivable with changes in loss provisions in this period:

Applicable Not applicable

### (3). Provisions for bad debts

Applicable Not applicable

Unit: RMB

Category	Opening balance	Amount of change during the current period		Closing balance
		Provision	Recovery or reversal	
Bad debt provision for accounts receivable	417,498.04	109,808.90	428,991.64	98,315.30
Total	417,498.04	109,808.90	428,991.64	98,315.30

In which the recovered or reversed amount is important:

Applicable Not applicable

Other statements

No

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

Applicable Not applicable

Information of write-off of important accounts receivable

Applicable Not applicable

Description of accounts receivable written off:

Applicable Not applicable

**(5). Five debtors with the highest closing balances of accounts receivable and contract assets**

Applicable Not applicable

Other notes:

Applicable Not applicable

The Company is mainly engaged in market operation and hotel services and its revenue from an individual client is very low. Therefore, the combined accounts receivable from the top five clients occupied a very small share in its total balance of accounts receivable.

**2. Other receivables**

**Presentation of items**

Applicable Not applicable

Item	Unit: RMB	
	Closing balance	Opening balance
Other receivables	12,892,088.01	329,607,469.39
Total	12,892,088.01	329,607,469.39

Other notes:

Applicable Not applicable

**Interest receivable**

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

Applicable Not applicable

**(2). Significant overdue interest**

Applicable Not applicable

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

Applicable Not applicable

Accounts receivable for which bad debt provision is made individually:

Applicable Not applicable

Explanation for making bad debt provision for accounts receivable individually:

Applicable Not applicable

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

Applicable Not applicable

**(4). Provision for bad debts based on the general model of expected credit losses**

Applicable Not applicable

Classification basis and bad debt provision ratio for each stage

No

Explanation of significant changes in the book balance of interest receivable due to changes in loss provisions in this period:

Applicable Not applicable

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

Applicable Not applicable

In which the recovered or reversed amount is important:

Applicable Not applicable

Other notes:

No

**(6). Interest receivable actually written off in this period**

Applicable Not applicable

Important interest receivable written off among them

Applicable Not applicable

Explanation of writing-off:

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

Applicable Not applicable

Accounts receivable for which bad debt provision is made individually:

Applicable Not applicable

Explanation for making bad debt provision for accounts receivable individually:

Applicable Not applicable

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

Applicable Not applicable

**(4). Provision for bad debts based on the general model of expected credit losses**

Applicable Not applicable

Classification basis and bad debt provision ratio for each stage

No

Explanation of significant changes in the book balance of dividends receivable due to changes in loss provisions in this period:

Applicable Not applicable

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

Applicable Not applicable

In which the recovered or reversed amount is important:

Applicable Not applicable

Other notes:

No

**(6). Dividends receivable actually written off in this period**

Applicable Not applicable

Important dividend receivables written off among them

Applicable Not applicable

Explanation of writing-off:

Applicable Not applicable

Other notes:

Applicable Not applicable

**Other receivables**

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

Applicable Not applicable

Unit: RMB

Account age	Closing book balance	Opening book balance
Within 1 year		
In which: sub-items		
Within 1 year	11,372,670.58	4,851,948.94
Within 1 year	11,372,670.58	4,851,948.94
1 to 2 years	230,770.07	419,739.44
2 to 3 years	1,086,758.22	322,708,656.80
Over 3 years	957,449.34	2,415,046.44
Bad debt provision for other receivables	-755,560.20	-787,922.23
Total	12,892,088.01	329,607,469.39

**(2). Classification based on the nature of accounts**

Applicable Not applicable

Unit: RMB

Nature of receivable	Closing book balance	Opening book balance
Withholdings, deposit and margin	13,444,205.52	6,560,139.05
Reserve	203,442.69	48,340.48
Financial assistance receivable from joint ventures	-	323,786,912.09
Total	13,647,648.21	330,395,391.62

**(3). Bad debt provision**

√Applicable □Not applicable

Unit: RMB

Bad debt provision	Stage 1	Stage 2	Stage 3	Total
	Expected credit loss in the coming 12 months	Expected credit loss in the entire duration (credit has not been impaired)	Expected credit loss in the entire duration (credit has been impaired)	
Balance as of January 1, 2023	787,922.23			787,922.23
Balance as of January 1, 2023 in the current period				
Provision made in the current period	43,219.60			43,219.60
Current reversal	75,581.63			75,581.63
Balance as of December 31, 2023	755,560.20			755,560.20

Classification basis and bad debt provision ratio for each stage

No

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

□Applicable √Not applicable

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

□Applicable √Not applicable

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

√Applicable □Not applicable

Unit: RMB

Category	Opening balance	Amount of change during the current period		Closing balance
		Provision	Recovery or reversal	
Bad debt provision for other receivables	787,922.23	43,219.60	75,581.63	755,560.20
Total	787,922.23	43,219.60	75,581.63	755,560.20

Among them, important recovered or reversed amounts:

□Applicable √Not applicable

Other statements

No

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

□Applicable √Not applicable

Of which, important write-offs of other receivables:

□Applicable √Not applicable

Notes on the write-off of other receivables:

Applicable Not applicable

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

Applicable Not applicable

Unit: RMB

Debtor	Closing balance	Weight in the total closing balance of other receivables (%)	Nature of receivable	Account age	Closing balance of bad debt provision
Yiwu Junhuhui Entertainment Co., Ltd	5,118,245.58	37.50	Transactions between companies	Within 1 year	-
Yiwu China Commodities City Information Technology Co., Ltd.	3,452,491.46	25.30	Transactions between companies	Within 1 year	-
Yiwu Power Transmission and Transformation Engineering Co., Ltd.	1,120,054.00	8.21	Electricity charge	Over 3 years	-
Zhejiang Yuntong Advertising Co., Ltd.	596,580.00	4.37	Transactions between companies	Over 3 years	596,580.00
Yiwu Market Development Group Co., Ltd.	337,168.00	2.47	Transactions between companies	Within 1 year	-
Total	10,624,539.04	77.85	/	/	596,580.00

**(7). Reported as other receivables due to centralized fund management**

Applicable Not applicable

Other notes:

Applicable Not applicable

**3. Long-term equity investment**

√Applicable □Not applicable

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Investment in subsidiaries	4,720,325,641.28	-	4,720,325,641.28	4,980,206,448.14	570,000,000.00	4,410,206,448.14
Investment in associates and joint ventures	5,877,913,559.04	-	5,877,913,559.04	4,800,215,865.20	-	4,800,215,865.20
Total	10,598,239,200.32	-	10,598,239,200.32	9,780,422,313.34	570,000,000.00	9,210,422,313.34

**(1). Investment in subsidiaries**

√Applicable □Not applicable

Unit: RMB

Investee	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Current provision for impairment	Closing balance of impairment provision
Yiwu China Commodities City Financial Holdings Co., Ltd.	2,239,426,242.40	283,575.48	-	2,239,709,817.88	-	-
Haicheng Yiwu China Commodities City Investment Development Co., Ltd.	571,277,386.09	-	571,277,386.09	-	-	-
Yiwu Shangbo	300,000,000.00	200,000,000.00	-	500,000,000.00	-	-
Yiwu Commodities City Gonglian Property Co., Ltd.	200,000,000.00	-	-	200,000,000.00	-	-
Zhejiang China Commodities City Group Commercial Factoring Co., Ltd.	120,059,576.13	110,831.68	-	120,170,407.81	-	-
Yiwu China Commodities City Big Data Co., Ltd.	102,984,635.63	2,498,902.00	-	105,483,537.63	-	-
Yiwu China Commodities City Import and Export Co., Ltd.	102,334,012.67	214,031.26	-	102,548,043.93	-	-
Yiwu China Commodities City Supply Chain Management Co., Ltd.	101,265,319.13	483,779.09	-	101,749,098.22	-	-
Yiwu China Commodities City Overseas Investment and Development Co., Ltd.	101,540,253.96	316,528.77	-	101,856,782.73	-	-

Yiwu China Commodities City Tourism Development Co., Ltd.	100,977,959.14	255,765.42	-	101,233,724.56	-	-
Yiwu China Commodities City Logistics and Distribution Co., Ltd.	101,931,157.09	529,842.09	-	102,460,999.18	-	-
Zhejiang Huajie Investment and Development Co., Ltd.	74,423,097.53	4,627,882.71	-	79,050,980.24	-	-
Yiwu China Commodities City Information Technology Co., Ltd.	50,965,115.90	117,936.28	-	51,083,052.18	-	-
Hangzhou Shangbo Nanxing Property Co., Ltd.	50,000,000.00	-	-	50,000,000.00	-	-
Yiwu China Commodities City Exhibition Co., Ltd.	19,666,060.90	1,307,554.53	-	20,973,615.43	-	-
Yiwu Comprehensive Bonded Zone Operation and Management Co., Ltd.	36,668,690.36	24,108,860.75	-	60,777,551.11	-	-
Yiwu China Commodities City Assets Operation and Management Co., Ltd.	11,375,213.90	596,156.13	-	11,971,370.03	-	-
Yiwu China Commodities City Research Institute Co., Ltd.	11,208,192.49	430,871.78	-	11,639,064.27	-	-
Zhejiang Yindu Hotel Management Co., Ltd.	13,534,551.93	1,586,178.55	-	15,120,730.48	-	-
Yiwu China Commodities City Commerce and Trade Service Training Center Co., Ltd.	600,000.00	-	600,000.00	-	-	-
Yiwu Shangbo Shuzhi Enterprise Management Co., Ltd.	225,600,000.00	74,400,000.00	-	300,000,000.00	-	-
Zhejiang Xunchi Digital Technology Co., Ltd.	444,368,982.89	127,882.71	-	444,496,865.60	-	-
Total	4,980,206,448.14	311,996,579.23	571,877,386.09	4,720,325,641.28	-	-

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

√Applicable □Not applicable

Unit: RMB

Investment Unit	Opening amount Balance	Change in the current period		Closing amount Balance	Closing balance of impairment provision
		Investment gains or losses recognized with the equity method	Change in other benefits		
1. Joint ventures					
Yiwu Shanglv Investment Development Co., Ltd.	396,972,448.93	38,957,479.65	-	435,929,928.58	-

Yiwu Rongshang Property Co., Ltd.	65,650,902.46	-205.43	-	65,650,697.03	-
Yiwu Chuangcheng Property Co., Ltd.	28,449,292.72	-763,659.31	-	27,685,633.41	-
Yiwu Guoshen Shangbo Property Co., Ltd.	75,740,065.56	851,479,615.72	-	927,219,681.28	-
Other	25,064,023.73	-1,532,029.01	-	23,531,994.72	-
Sub-total	591,876,733.40	888,141,201.62	-	1,480,017,935.02	-
<b>2. Associates</b>					
Yiwu Huishang Micro-finance Co., Ltd.	78,209,979.82	377,956.29		78,587,936.11	
Zhejiang Chouzhou Financial Lease Co., Ltd.	489,205,549.91	85,753,216.38		574,958,766.29	
Pujiang Lvgu Property Co., Ltd.	374,601,160.67	-28,304,294.27		346,296,866.40	
Yiwu China Commodities City Property Development Co., Ltd.	2,984,810,019.41	142,231,123.08		3,127,041,142.49	
Zhejiang Zhijie Yuangang International Supply Chain Technology Co., Ltd.	145,563,439.33	-13,581,395.16		131,982,044.17	
Other	135,948,982.66	3,079,885.90		139,028,868.56	
Sub-total	4,208,339,131.80	189,556,492.22		4,397,895,624.02	
Total	4,800,215,865.20	1,077,697,693.84		5,877,913,559.04	

**(3). Impairment testing of long-term equity investments**

Applicable Not applicable

Other notes:

No

**4. Operating revenue and operating cost****(1). Overview of operating revenue and operating cost**√Applicable Not applicable

Unit: RMB

Item	Amount in the current period		Amount in the previous period	
	Revenue	Cost of sales	Revenue	Cost of sales
Main business	3,324,037,682.76	990,912,064.53	1,661,326,251.95	856,617,946.98
Other businesses	317,697,773.72	92,953,576.91	280,256,309.07	80,555,208.55
Total	3,641,735,456.48	1,083,865,641.44	1,941,582,561.02	937,173,155.53

**(2). Breakdown information of operating revenue and operating costs**√Applicable Not applicable

Unit: RMB

Classified by type of contract	Total	
	Operating revenue	Operating cost
Types of goods		
The use of shops in the China Commodities City markets and the supporting services for operation	3,030,810,080.75	518,351,009.71
Hotel accommodation and catering services	298,712,858.87	265,378,120.34
Leasing	286,324,773.15	133,390,569.90
Usage fee	6,549,230.44	-
Other services	19,338,513.27	166,745,941.49
Classified by business area		
Chinese Mainland	3,641,735,456.48	1,083,865,641.44
Revenue recognition time		
Revenue confirmed at certain time point	175,816,268.19	144,694,873.14
Revenue confirmed during certain time period	3,465,919,188.29	939,170,768.30
Total	3,641,735,456.48	1,083,865,641.44

Other statements

√Applicable Not applicable

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

Unit: RMB

Type of contract	Current period
The use of shops in the China Commodities City markets and the supporting services for operation	3,011,011,456.55
Hotel accommodation service	8,997,757.36
Other services	7,257,064.68
Total	3,027,266,278.59

**(3). Contract performance obligations**Applicable Not applicable**(4). Amortization to remaining contract performance obligations**√Applicable Not applicable

As of the end of the reporting period, the revenue amount attributable to performance obligations under contracts that had been signed but not yet partially or fully fulfilled was RMB 3,032,044,768.16. The Group expects this amount to be recognized as revenue in the next 5 years as the relevant services are provided.

**(5). Significant contract changes or significant transaction price adjustments**

Applicable Not applicable

Other notes:

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

The use of shops in the China Commodities City markets and the supporting services for operation

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

**5. Investment income**

Applicable Not applicable

Unit: RMB

Item	Amount in the current period	Amount in the previous period
Income from long-term equity investment calculated with the equity method	1,077,697,693.84	932,395,547.67
Investment income from disposal of long-term equity investment	-	270,094.36
Dividend income from other equity instruments investment during holding period	3,762,820.14	12,542,733.80
Investment income from disposal of held-for-trading financial assets	13,602.59	47,694.29
Income acquired from other non-current financial assets during the holding period	5,349,937.60	2,978,950.32
Total	1,086,824,054.17	948,235,020.44

Other notes:

No

**6. Other**

Applicable Not applicable

**XX. Supplements****1. Detailed statement of current non-recurring items**√Applicable Not applicable

Unit: RMB

Item	Amount	Description of
Non-current asset disposal gains and losses, including the offsetting portion of the provision for impairment of assets	139,113,943.98	
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 provided in a fixed amount or quantity and that have a continuous impact on the Company's gains and losses according to the national policies and certain standards	32,404,875.29	
Except for effective hedging business related to the normal operation of the Company, the fair value gains and losses arising from the holding of financial assets and financial liabilities by non-financial enterprises, as well as the gains and losses arising from the disposal of financial assets and financial liabilities	-51,087,595.90	
Cash occupation fees charged from non-financial enterprises that are recognized in the current profit or loss	18,907,795.24	
Profits and losses arising from external entrusted loans	2,525,847.12	
Net income from other non-operating activities	6,365,155.41	
Other profit and loss items that meet the definition of non-recurring profit and loss	121,465,746.29	
Less: effect of income tax	60,306,979.87	
Effect of minority interest (after-tax)	1,892,636.73	
Total	207,496,150.83	

If the Company recognizes non-recurring profit and loss items that are not listed in the Explanatory Announcement No. 1 on Information Disclosure of Companies Issuing Securities to the Public as non-recurring profit and loss items with significant amounts, and define non-recurring profit and loss items listed in the Explanatory Announcement No. 1 on Information Disclosure of Companies Issuing Securities to the Public as recurring profit and loss items, the reasons should be explained.

□Applicable Not applicable

Other statements

□Applicable Not applicable**2. ROE and EPS**√Applicable Not applicable

Profits in the reporting period	Weighted average ROE (%)	EPS	
		Basic EPS	Diluted EPS
Net profits attributable to common shareholders of the Company	16.06	0.49	0.49
Net profits attributable to common shareholders of the Company after deducting non-recurring gains and losses	14.82	0.45	0.45

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

Applicable Not applicable

**4. Other**

Applicable Not applicable

Chairman of Board of Directors: ZHAO Wenge

Date of approving by the Board of Directors for release: April 17, 2024

**Amendment**

Applicable Not applicable